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## Approval for issue

Mark Wallace

![Signature]

2019-07-22

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Prepared by:

**RPS**

Mark Wallace
Regional Technical Director - Economics

Level 4, HQ South
520 Wickham Street
Fortitude Valley QLD 4006

T +61 7 3539 9500
E mark.wallace@rpsgroup.com.au

Prepared for:

**Regional Development Australia Moreton Bay**

Annette Griggs
Director

55 Miller Street,
Kippa-Ring, Redcliffe. Qld 4021

T 07 3897 4925
E netteg@rdamoretonbay.org.au
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EXECUTIVE SUMMARY

Moreton Bay is a rapidly growing region of South East Queensland (SEQ), expecting to reach a population of 656,000 by 2041. This growth will generate the need for considerable employment opportunities in the region to maintain and enhance the prosperity and quality of life of new households.

To facilitate this, Moreton Bay Regional Council has the ambitious goal of increasing the employment self-sufficiency the local economy over this period from current levels (approximately 50%) to 70%. Achieving State and Local Government aspirations will require a shift of focus from domestic to international markets.

RPS was engaged by RDA Moreton Bay Inc to develop a suite of recommendations for implementation that will transform Moreton Bay businesses into a collaborative “Asia Ready” network of exporters to help meet and exceed the future economic potential of the region.

Businesses that export generally have a higher probability of surviving in the face of economic headwinds than non-exporting businesses. This reflects higher business performance in terms of sales, growth rates (particularly early on), capital investment and labour productivity.

In the Asia Pacific, the consolidation of ASEAN and Australia’s associated free trade agreements with that organisation has provided significant opportunities for Australian businesses to trade into the region and leverage a growing middle class and business and industry base.

Global trade has grown by 2.4% per annum over the past decade, though this period has been subject to considerable global economic volatility.

In recent months, there has been considerable media coverage regarding an apparent slowing the Chinese economy. As the largest economy in Asia and the second largest economy in the world a slowing in the Chinese economy is directly relevant to global and Australian economic conditions.

Additionally, the manufacturing focus of the Moreton Bay industry structure means that China is likely currently more of a competitor – providing a cheaper, lower quality, shorter-life alternative – than a market for export-oriented businesses in the region.

Due to this, non-Chinese Asian economies across North, South and South East sub-regions represent more lucrative opportunities for Moreton Bay exporters, particularly outside of inbound service export sectors such as tourism and education.

Despite some positive movement, the Asia Pacific region as a whole is one characterised by systemic corruption that is both politically and culturally intrinsic to existing business systems.

Moreton Bay is characterised by high population growth; however it is a region that is experiencing lower than desired employment self-sufficiency, with a reliance on public sector industries such as health and education for a significant portion of the labour force.

In order to grow the economy and maintain and enhance the prosperity and quality of life, RPS estimates that Moreton Bay will need 29,700 new additional businesses by 2036 to keep up with population growth and converge with Queensland averages. This represents growth of 109% in 19 years or 1,500 new businesses every year.

Moreton Bay has a below average export potential owing to its industry structure and the local/domestic focus of a number of sectors (health, education, retail etc), which feature prominently in the local economy, though the region does possess a strong manufacturing base which provides some opportunities for export growth in sectors such as machinery, equipment and technology.
The region benefits from proximity to major domestic markets (namely Brisbane), a fast-growing population and labour force and access to major exporting infrastructure such as the Brisbane Airport and Port of Brisbane. It is also well serviced by road and increasing rail transport infrastructure.

The establishment of the University of Sunshine Coast Petrie Campus will expand tertiary education options within Moreton Bay and provide local business/academic research partnership opportunities.

Realising Moreton Bay’s potential, however, will require a structural shift in the economy away from an almost exclusive focus on domestic production and sales, with the entry of new businesses into the Moreton Bay economy a critical opportunity to facilitate this shift.

Both Federal and State Governments have dedicated trade facilitation and support agencies in the form of Austrade and Trade and Investment Queensland. These organisations provide similar, albeit somewhat differentiated support to current and prospective exporters.

Queensland trade framework is primarily established through a combination of State and Federal Government policies, strategies and initiatives. The key documents that comprise the Queensland trade framework relevant to the progression of the Moreton Bay economy are:

- Queensland Trade and Investment Strategy 2017-2022
- Queensland-India Trade and Investment Strategy 2018-2023
- Advancing Queensland Small Business Strategy 2016-2020

In addition to State Government policies and strategies, there are a number of key Federal Government initiatives and grants relating to trade and export development. These initiatives and grants include Small and Medium Enterprises (SME) Export Hubs, Export Market Development Grants (EMDG), Industry Growth Centres Initiative, Efic (Australian Export Finance Corporation) and The Entrepreneurs' Programme.

Based on the research outlined in this report, including a review of the industry structure of the Moreton Bay economy as well as a review of target industries and sectors by a range of Queensland and Australian Government, RPS has identified a number of priority export industries for the Moreton Bay region:

- Equipment Manufacturers
- New Businesses
- Micro-Online Businesses
- International Education
- Construction Technology and Services

RDA Moreton Bay has the potential to address current local policy and export support gaps in Moreton Bay by playing a primary advocacy, information and promotion role. This would establish RDA Moreton Bay as a major source of export information, a major facilitator in export networking as well as a primary representative of Moreton Bay as an export region.
1 INTRODUCTION

1.1 Growing Moreton Bay

Moreton Bay is a rapidly growing region of South East Queensland (SEQ). According to Shaping SEQ, the population of Moreton Bay is expected to grow by 217,700 people to 656,000 people by 2041 – or 80,000 more people than the Gold Coast today. This growth will generate the need for considerable employment opportunities in the region to maintain and enhance the prosperity and quality of life of new households.

To facilitate this, Moreton Bay Regional Council has the ambitious goal of increasing the employment self-sufficiency the local economy over this period from current levels (approximately 50%) to 70% - or seven local jobs for every 10 workers. With an ageing population impacting the growth of the labour force, increasing the employment self-sufficiency of the Moreton Bay economy during a period of rapid population growth will require a tremendous focus on economic development, industry establishment and growth; new business creation and investment.

Therefore, achieving State and Local Government aspirations will require a shift of focus from domestic to international markets. The spending power of Asia’s nascent Middle Class will see the global economy continue to transform. Considerable opportunities exist for proactive and dynamic businesses and industries in the Moreton Bay region to expand into Asian markets, with new technologies (such as 3D Printing) transforming the way products and services are created.

Such an expansion however requires more than simply meeting the customers product and service needs. It requires knowledge and understanding of language, cultural and customs of the target export market, as well as relevant Australian and international export administrative and legal requirements.

Most importantly, successfully exporting to an overseas market requires a collaborative whole-of-region approach. While individual businesses can and do successfully export around the world, the most successful and profitable exporters are those which are part of collaborative industries and regions. When formally structured and supported, collaborative environments, can help facilitate a higher volume and quality of exports through shared branding, market awareness and intelligence and opportunity identification.

1.2 RDA Moreton Bay

Regional Development Australia (RDA) Moreton Bay is one of 55 organisations across Australia made up of local leaders who work with all levels of government, business and the community to promote the economic development of their regions¹.

RDA Moreton Bay works across the area covered by Moreton Bay Regional Council, and is focused on promoting business growth, job creation, collaboration, innovation, investment, international trade and entrepreneurship.

RDA Moreton Bay (RDAMB) is uniquely placed to help local businesses and industries become “Asia Ready”. The RDA’s charter already focuses on many of the tasks required to help businesses tackle Asian markets by dissemination of information, engaging stakeholders, fostering national and international relationships and facilitating learning and development programs. To foster economic development and growth, RDAMB is community driven and comprised of local leaders with an established pedigree for liaising and engaging with all levels of Government, industry and the community.

1.3 Report Purpose and Structure

RPS was engaged by RDA Moreton Bay Inc to develop a suite of recommendations for implementation that will transform Moreton Bay businesses into a collaborative “Asia Ready” network of exporters to help meet and exceed the future economic potential of the region.

This report is comprised of the following key sections:

- **Introduction** – purpose of the report and geographies analysed;
- **Trends and Initiatives in Global Trade** – overview of recent and emerging trends in global trade and Queensland’s historical trade performance with Asia;
- **Moreton Bay Business and Economic Profile** – profile of the economic and business attributes of the Moreton Bay region with a focus on industry and business activity;
- **Export Potential of Moreton Bay** – assessment of the export potential of Moreton Bay including an assessment of the region’s economic competitiveness.
- **Implementation and Recommendations** – summary of the role and involvement of each level of Government in export potential development in Moreton Bay and identification of key recommendations for RDA Moreton Bay and other stakeholders to foster greater export capabilities.

The summary of stakeholder consultation findings are included in Appendix A.

For the purpose of this assessment, Tourism has excluded from the overall analysis and evaluation. Tourism is recognised as a significant service export in the Queensland economy and is the focus of organisations such as MBRIT within Moreton Bay. Tourism industry development is a comprehensive topic and subject matter in its own right and is currently the subject of engagement by MBRIT and State and Local Government agencies. Recommendations and analysis regarding Asian market engagement and RDA implementation initiatives may have value in

1.4 Glossary and Abbreviations

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<td>Three Dimensional</td>
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<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
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<td>LGA</td>
<td>Local Government Area</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-Operation and Development</td>
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<td>RDA</td>
<td>Regional Development Australia</td>
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<tr>
<td>RDAMB</td>
<td>Regional Development Australia Moreton Bay</td>
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<tr>
<td>SEQ</td>
<td>South East Queensland</td>
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<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities and Threats</td>
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<tr>
<td>TPP</td>
<td>Trans-Pacific Partnership</td>
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1.5 Geography

The following figure outlines the extent of the Moreton Bay region, defined in this report as the Moreton Bay Local Government Area.

For the purposes of this Strategy, RPS has defined Asia as comprising three sub-regions with the following countries:
• **North Asia** – China, Hong Kong, Japan, Republic of Korea, Macau, Mongolia & Taiwan

• **South East Asia** – Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Republic of Myanmar, Philippines, Singapore, Thailand, Timor-Leste & Vietnam

• **Indian Sub-Continent** – Bangladesh, India, Maldives, Nepal, Pakistan & Sri Lanka

These regions are illustrated in the next figure.
Figure 1 Moreton Bay Local Government Area
Figure 2 The Asian Market Divided into Sub-Regions
2 TRENDS AND INITIATIVES IN GLOBAL TRADE

This section summarises current and emerging trends in global trade and summarises key strategies and trade frameworks of the Queensland and Federal Governments relating to international trade and exports.

2.1 Why Exporting Matters for Business?

Businesses that export generally have a higher probability of surviving in the face of economic headwinds than non-exporting businesses. This reflects higher business performance in terms of sales, growth rates (particularly early on), capital investment and labour productivity.

This translates to higher wages, more employment and more investment, which has a tangible benefit for workers and households in the economy.

A review of business micro-data from the ABS by the Australia Government Department of Industry, Innovation and Science found2:

- Over a third of Australia’s exporters are concentrated in four industry divisions: Mining, Manufacturing, Wholesale Trade and Information Media and Telecommunications.
- Around 3,000 businesses export since birth.
- On average, exporters are larger than non-exporters in terms of employment, value-added and capital expenditure. Labour productivity and average wages are also higher for exporters.
- Exporters grow faster than non-exporters in the lead up to foreign market entry. But this growth differential diminishes in a few years.
- A significant proportion of businesses enter and exit the export market every year.
- Continuous, but not intermittent, exporters perform significantly better in all performance measures than non-exporters.
- Exporting is associated with a higher probability of business survival.

Promoting and encouraging businesses, both new and existing, to be more export capable and to actively seek and engage export opportunities therefore represents a critical economic development initiative for any economy.

2.2 Trends in Global Trade

Global trade has transformed in recent decades, with the emergence of BRIC (Brazil, Russia, India and China) countries as major players in a diverse range of commodities, complementing long-term established trading nations and regions, such as Europe, Japan/South Korea and the US.

In the Asia Pacific, the consolidation of ASEAN and Australia’s associated free trade agreements with that organisation has provided significant opportunities for Australian businesses to trade into the region and leverage a growing middle class and business and industry base.

### 2.2.1 Global Trade Volumes and Values

Global trade has grown by 2.4% per annum over the past decade, though this period has been subject to considerable global economic volatility. The combination of the Global Financial Crisis in 2008 and 2009, coupled with a slowing in trade values in 2015/16 resulted in ten year average growth rate being suppressed.

![Figure 3 World Trade Values, US Dollars ($USb), 2007 to 2017](https://example.com/figure3.png)

According to the IMF’s January 2019 World Economic Outlook Update³, global expansion has weakened. The global economy is projected to grow at 3.5% in 2019 and 3.6% in 2020, 0.2% and 0.1% below October 2018’s projections, respectively. Growth in emerging and developing Asia will dip from 6.5% in 2018 to 6.3% in 2019 and 6.4% in 2020.

### 2.2.2 Challenges in China

In recent months, there has been considerable media coverage regarding an apparent slowing the Chinese economy. As the largest economy in Asia and the second largest economy in the world a slowing in the Chinese economy is directly relevant to global and Australian economic conditions.

The Chinese economy grew 6.4 percent in the year to December 2018, after a 6.5 percent growth in the year to the previous quarter. This was in line with market expectations but was below Chinese Government targets and was the was lowest growth rate in 29 years.

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This slowing is expected to continue this year, with expectations for growth to decline to a low of 6.3% per annum by the September quarter 2019. However, some analysts have indicated this growth may decline more sharply and a fall below 6% per annum is regarded as a distinct possibility.

There are a number of factors that combined to drive this lower growth over the past year including:

- Slowing in domestic demand, with domestic consumption growing by 9% in 2018, down from 10.2% in 2017;
- The Trade War with the US saw half of the value of Chinese exports to the US subject to tariffs in response to claims by the US of systematic intellectual property theft facilitated or permitted by the Chinese Government. Despite the current ceasefire in the Trade War (to end in March 2019 contingent on whether a new trade deal between the US and China can be secured), this impacted a number of major export sectors including high tech manufacturing and machinery and equipment manufacturing; and
- The Chinese Government has undergone a program of debt deleveraging during the past 12 months, after Government public debt reached a peak of over 250% of GDP in 2017, the highest of any major country in the world. In the course of this deleveraging, focused particularly on the Local Government sector, the Chinese Government uncovered alarming levels of “off-balance-sheet borrowings that were not part of the 250%.

This combination of a slowing domestic economy, debt deleveraging campaign and associated public expenditure constraints and trade disputes are collectively depressing Chinese economic activity and are expected to continue to do so in the medium term.

The implications for the global economy, and for regions in Australia of a slowing Chinese economy are significant in part because of the reliance many industries and businesses around the world have placed on

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the continued growth and expansion of China as both a lower cost producer of imported products into Australia and as an emerging source of global demand for a number of high value add products and services. The slowing of the Chinese economy could legitimately see a slowing in forecasted global growth over the next 1-3 years.

However, the implications for the Moreton Bay region are less significant than in other more export-oriented regions (whether that be mineral and natural resource producers or major tourism and education destinations). Additionally, the manufacturing focus of the Moreton Bay industry structure means that China is likely currently more of a competitor than a market for export oriented businesses in the region. This is reflected in the stakeholder engagements, where Chinese production is seen as a cheaper, lower quality, shorter-life alternative to higher cost/higher quality Moreton Bay products.

In reality, non-Chinese Asian economies across North, South and South East sub-regions represent more lucrative opportunities for Moreton Bay exporters, particularly outside of inbound service export sectors such as tourism and education.

2.2.3 Issues of Corruption and Transparency

A common issue raised among perspective exporters to Asia is the perceived high levels and incidence rates of corruption and the overall poor levels of regulatory, approvals and procurement transparency.

This perception is reflected relatively poor performance by a number of Asian economies in global transparency indexes, such as Transparency International’s Corruption Perception Index.

In the Asia Pacific region, New Zealand, Singapore and Australia are ranked the top 3 countries for fighting corruption. Overall, the region experienced a decline in anti-corruption performance and is now generally

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more corrupt than a decade early and is on par with South America. Only a handful of countries (Solomon Islands, Vanuatu and South Korea) experienced positive improvement over the past year.

Several countries (Malaysia, Maldives, Pakistan and India) have been identified as potential improvers in the coming years, with a combination of massive public unrest against corruption and the election of new anti-corruption leading governments expected to introduce some form of anti-corruption legislation.

Despite this movement, the Asia Pacific region as a whole is one characterised by systemic corruption that is both politically and culturally intrinsic to existing business systems. For example, according to data gathered in 2015 by Charney Research, corruption is a major problem for business operating in China, particularly in the more developed and dynamic regions of the country. Approximately 35% of companies operating in China said that bribes, unofficial fees or gifts must be given in order to operate in the Chinese economy. This rate is highest in Beijing at 43%, followed by Guangdong, Chongqing and Shanghai at 39%, 38% and 34%, respectively. Over 37% of foreign owned (non-Chinese) companies reported corrupt payments6.

For businesses in Australia, such as those in the Moreton Bay, incidences of corruption in other countries raises a range of legal, ethical and professional implications as well as heightens the risk profile of exporting to Asia as a potential source of revenue generation.

2.2.4 Online Retail and Micro-Exports

An emerging trend in recent years has been the adoption of the internet and e-commerce in the consumer retail sector. This is commonly referred to as “online retail” and is an increasingly global offering that transcends traditional geographical borders like traditional “bricks and mortar” shops.

A number of major platforms exist in the online retail space including Amazon, eBay and Etsy, all of which both sell goods themselves as a traditional retailer as well as “host” other smaller retailers on their site. However, even outside of these platforms, the internet now allows even small businesses that would have traditionally been too small to engage in overseas trade and exports to use e-commerce software backends to websites and sell direct to customers around the world.

Often these sales are small and low volume, and therefore represent a type of “micro-exports”. The best indicator of these types of exports is in airfreight statistics, as most goods sold via online retail and sales are transported globally via air freight. Since June 2014, there has been a sharp increase in the volume of “Other” airfreight exported from Australia, increasing from approximately 5,000 to almost 20,000 tonnes. This represents almost 400% growth in over 5 years, which far exceeds the more moderate growth in “Perishable” goods and the flat growth in “High Value” items.

Based on this growth rate, RPS expects for the “Other” category of airfreight to overtake “Perishables” within the next 2 years.

### 2.2.5 Impact of Free Trade Agreements and TPP

Offsetting issues of corruption in Asian economies, is the emergence over the past decade of a range of Free Trade Agreements between Australia and countries within the Asian region.

These FTAs are listed in the table below.

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<tbody>
<tr>
<td>SAFTA</td>
<td>Singapore &amp; Australia</td>
</tr>
<tr>
<td>TAFTA</td>
<td>Thailand &amp; Australia</td>
</tr>
<tr>
<td>AANZFTA</td>
<td>ASEAN (Brunei, Malaysia, Myanmar, The Philippines, Singapore, Vietnam, Thailand, Laos, Cambodia &amp; Indonesia), Australia &amp; New Zealand</td>
</tr>
<tr>
<td>MAFTA</td>
<td>Malaysia &amp; Australia</td>
</tr>
<tr>
<td>KAFTA</td>
<td>Korea &amp; Australia</td>
</tr>
<tr>
<td>JAEPRA</td>
<td>Japan &amp; Australia</td>
</tr>
<tr>
<td>ChAFTA</td>
<td>China &amp; Australia</td>
</tr>
<tr>
<td>TPP-11</td>
<td>Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam</td>
</tr>
</tbody>
</table>

---

Free Trade Agreements build upon the multi-lateral trading system, governed by the World Trade Organisation rules, to provide consumers and businesses in both countries additional relief from tariffs, quotas and other point-of-origin discriminations. The objective is to provide customers in both countries with access to cheaper goods and services, while providing businesses with fewer barriers to trade into both countries.

The largest recent trade agreement signed by Australia covering Asian countries is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (also referred to as TPP-11). Reworked and signed by participating countries after the withdrawal of the US in March 2018, the TPP-11 formed the third largest free trade area in the world after the United States–Mexico–Canada Agreement (formerly NAFTA) and the European Single Market.

The realities of free trade agreements are that exporting businesses typically do not gain benefit in terms of increased prices for their goods and instead only capture benefits if they can expand to secure greater market share in the overseas market.

The ability of businesses to do so, is often limited however, particularly in capital and technology-intensive industries, where significant investment is required to expand. This reality can create apathy among exporters about realising the benefits of Free Trade Agreements to their business.

Additionally, Free Trade Agreements can sometimes add additional regulatory and compliance burdens on Australian companies, with exporters required to secure documentation to allow their goods to enter the overseas market under the free trade agreement framework so the end customer does not pay more. This additional compliance burden and cost is somewhat minimal but adds an additional step into the export process that can create delays in what is increasingly a just-in-time global trade and supply chain network.

Overall, the greatest benefit of Free Trade Agreements for merchandised non-commodity trade is commonly in market awareness. The signing of Free Trade Agreements often accompanies and increase in awareness and acceptance of Australian products and services in the overseas market, presenting opportunities for new connections to be made and sales to be had.

2.3 Queensland's International Export Profile

RPS divided the Asian market into three regions for assessment of exports to the continent – North Asia, South East Asia and the Indian Subcontinent. North Asia is the primary region for exports from Queensland, accounting for 75% of the Asian market.
Due to export potential and geographical constraints from Moreton Bay LGA, the mining sector was excluded from some analysis to give a closer indication of potential export markets from Moreton Bay. In 2017/18, China accounted for the largest share of exports in the Asian market at 39.0%. Japan was second with an 18.5% market share, followed by Korea and India at 15.2% and 8.0%, of Queensland exports, respectively.

When mining is excluded, 4 of the top 5 industries by total value of exports are in the manufacturing sector.
Table 2  Top 20 Industries in Queensland by Value of Exports to Asia, Mining Excluded

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total Value of Exports to Asia ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Product Manufacturing</td>
<td>$5,344.9</td>
</tr>
<tr>
<td>Primary Metal and Metal Product Manufacturing</td>
<td>$3,724.0</td>
</tr>
<tr>
<td>Agriculture</td>
<td>$675.8</td>
</tr>
<tr>
<td>Machinery and Equipment Manufacturing</td>
<td>$441.5</td>
</tr>
<tr>
<td>Basic Chemical and Chemical Product Manufacturing</td>
<td>$395.9</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing Support Services</td>
<td>$242.9</td>
</tr>
<tr>
<td>Textile, Leather, Clothing and Footwear Manufacturing</td>
<td>$204.6</td>
</tr>
<tr>
<td>Forestry and Logging</td>
<td>$160.7</td>
</tr>
<tr>
<td>Petroleum and Coal Product Manufacturing</td>
<td>$78.3</td>
</tr>
<tr>
<td>Transport Equipment Manufacturing</td>
<td>$64.3</td>
</tr>
<tr>
<td>Pulp, Paper and Converted Paper Product Manufacturing</td>
<td>$59.4</td>
</tr>
<tr>
<td>Furniture and Other Manufacturing</td>
<td>$48.3</td>
</tr>
<tr>
<td>Wood Product Manufacturing</td>
<td>$43.5</td>
</tr>
<tr>
<td>Fishing, Hunting and Trapping</td>
<td>$35.4</td>
</tr>
<tr>
<td>Fabricated Metal Product Manufacturing</td>
<td>$30.0</td>
</tr>
<tr>
<td>Polymer Product and Rubber Product Manufacturing</td>
<td>$27.8</td>
</tr>
<tr>
<td>Beverage and Tobacco Product Manufacturing</td>
<td>$9.4</td>
</tr>
<tr>
<td>Non-Metallic Mineral Product Manufacturing</td>
<td>$6.9</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>$3.0</td>
</tr>
<tr>
<td>Publishing (except Internet and Music Publishing)</td>
<td>$0.8</td>
</tr>
</tbody>
</table>

2.4  Key Findings

Asia has emerged as a major trading region in the world, reinforced by the emergence and growth of China and the formation of expanding trading blocs including ASEAN and the TPP-11. Global trade values have been volatile in the recent decade, owing to the impacts of the GFC and growing uncertainty in economies such as China.

Chinese growth is now at the slowest rate since 1990 and is forecast to continue to slow in 2019. This reflects a combination of weakening domestic demand, impacts on exports from the US-China Trade War and debt deleveraging efforts, particularly focused on Local Government and somewhat alarming levels of off-book debt.

This slowing is expected to impact some of Queensland’s major commodity-oriented export sectors, though the direct implications for more non-commodity product exporters is expected to be less significant. This reflects the fact that for many technology, machinery and equipment markets, China is a net competitor, offering lower cost, lower quality options compared to many Australian products. Instead, non-Chinese Asian economies across the region represent more significant export opportunities for the Moreton Bay economy in the long-term.
3  MORETON BAY BUSINESS AND ECONOMIC PROFILE

This section profiles the population, socio-economics, employment and business characteristics of Moreton Bay.

3.1  Population and Socio-Economics

3.1.1  Population and Demographics

As at 30 June 2017, Moreton Bay LGA had an estimated residential population of 449,310. This is up 117,597 people or 35.5% relative to 2006 and equates to an average annual growth rate of 2.8%. By 2036, the population is projected to increase to 630,503 (up 181,193 people or 40.3%) relative to 2017. This equates to an average annual growth rate of 1.8%.

As of 2017, Moreton Bay had a high proportion of young residents, with those aged 0-14 accounting for more than 1 in 5 people living in the area (21.2%). The next highest age cohort was those above retirement age, with 15.5% of the population aged 65 years and over.

Figure 9 Historical & Projected Population, Moreton Bay LGA

As of 2017, Moreton Bay had a high proportion of young residents, with those aged 0-14 accounting for more than 1 in 5 people living in the area (21.2%). The next highest age cohort was those above retirement age, with 15.5% of the population aged 65 years and over.

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8 ABS (2018), Regional Population by Age and Sex, Australia, Cat No. 3235.0, Australian Bureau of Statistics, Canberra

9 QGSO (2016), Projected Population (medium series), by five-year age group and sex, by local government area, Queensland, 2011 to 2036, Queensland Government, Brisbane
3.1.2 Post-school Qualifications and Labour Force Skills

Moreton Bay LGA has comparatively low levels of university qualified residents, with 13.9% of the population attaining a Bachelor’s degree or higher, in comparison with the Queensland rate of 18.3%. Though the level of university qualified residents in the Moreton Bay region is low, the proportion of residents with other post-secondary qualifications is higher. Moreton Bay has a higher share of population with Certificates (levels III & IV) and Diplomas than the Queensland benchmark.

3.1.3 Labour Force

Health Care and Social Assistance was the largest employing industry in 2016 (13.6%). Retail Trade (11.0%) and Construction (10.9%) were second and third, respectively, with Education and Training (8.2%) and Public Administration and Safety (7.1%) rounding out the top 5 industries in terms of share of employed persons. The prominence of these industries – notably health care, education and public administration – indicates an employment reliance on the public sector.
The median weekly household income in Moreton Bay LGA was slightly above the State of Queensland in 2016, at $1,413 and $1,402, respectively.

Unemployment rates have fluctuated significantly in recent years in Moreton Bay LGA. Across the assessment period, smoothed unemployment rates in Moreton Bay LGA have fluctuated between a low of 4.5% and a high of 7.3%. As at the June 2018 Quarter, Moreton Bay LGA had a smoothed unemployment rate of 6.8%. This is higher than the State average of 6.0%.

Figure 12  Industry of Employment, by Place of Usual Residence, Moreton Bay LGA, 201610

Figure 13  Median Weekly Household Income, Moreton Bay LGA & Queensland, 2011 & 2016

10ABS (2017), TableBuilder Pro 2016, Australian Bureau of Statistics, Canberra
One in six people (16.6%) in the Moreton Bay LGA were Professionals in 2016. Technicians and Trades Workers formed the second largest proportion (15.6%) followed by Clerical and Administrative Workers (15.4%).

![Smoothed Unemployment Rates, December 2010 Quarter to June Quarter 2018](image)

**Figure 14** Smoothed Unemployment Rates, December 2010 Quarter to June Quarter 2018

**Figure 15** Occupation by Place of Usual Residence, Moreton Bay LGA, 2016

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11 DJSB (2018), Small Area Labour Markets Australia, Department of Jobs & Small Business, Canberra

12 ABS (2017), TableBuilder Pro 2016, Australian Bureau of Statistics, Canberra
3.2 The Moreton Bay Economy

3.2.1 Employment by Industry

Health Care and Social Assistance was the largest employing industry in 2016 (15.1%). Retail Trade (14.2%) and Education and Training (11.0%) were second and third, respectively, with Construction (10.1%) and Accommodation and Food Services (7.9%) rounding out the top 5 industries of employment.

A review of employment self-sufficiency – employment by place of work as a ratio of employment by place of residence – reveals that Moreton Bay as a whole has an employment self-sufficiency rate of less than 60%. This means there are 6 jobs in Moreton Bay for every 10 employed people living in the Moreton Bay. Employment self-sufficiency is an indicator of the depth and vibrancy of a local economy, and a rate less than 60% indicates that Moreton Bay is lacking substantive employment generation and opportunities for an economy and population of its size.

Figure 16 Industry of Employment, by Place of Work\textsuperscript{13}

\begin{figure}[h]
\centering
\includegraphics[width=0.8\textwidth]{industry_employment_bar_chart}
\caption{Industry of Employment, by Place of Work\textsuperscript{13}}
\end{figure}

\textsuperscript{13}ABS (2017), TableBuilder Pro 2016, Australian Bureau of Statistics, Canberra
3.2.2 Business Registrations

As at 30 June 2017, there were 27,177 registered businesses in the Moreton Bay LGA. This is up 1,510 businesses (or 5.9%) relative to 2015 and equates to an average annual growth rate of 2.9%. Meanwhile, the State recorded a lower average annual growth rate (2.4%) between 2015 and 2017.

Figure 17 Employment Self-Sufficiency Rate, by Industry and Total, Moreton Bay LGA

Figure 18 Registered Businesses, Moreton Bay LGA
Despite a strong growth rate, the number of businesses in the Moreton Bay area per 1,000 people is significantly below that of State and National averages. Per 1,000 residents, the Moreton Bay LGA has just over 60 registered businesses. Both Queensland and Australian business numbers are nearly 1.5 times that figure, at 88.8 and 90.9 businesses per 1000 people, respectively.

As at 30 June 2017, Moreton Bay LGA had approximately 60.5 registered businesses per 1,000 people. This is well below the State and National averages of 88.8 and 90.9, respectively.

![Graph showing business numbers per 1,000 people](image)

**Figure 19  Registered Businesses per 1,000 people, 2017**

On top of general business numbers being lower in the Moreton Bay region in comparison to the state and national benchmarks, the ratio of businesses that employ people is also low in Moreton Bay LGA. Per 1,000 people, there are 25.4 employing businesses in Moreton Bay LGA, compared to 33.9 in Queensland and 35.3 in Australia.

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16 ABS (2018), Counts of Australian Businesses, including Entries and Exits, Jun 2013 to Jun 2017, Cat. No. 8165.0, Australian Bureau of Statistics, Canberra
ABS (2018), Regional Population Growth, Australia, 2016-17, Cat. No. 3218.0, Australian Bureau of Statistics, Canberra
In 2017, almost three-fifths (58.1%) of businesses were non-employing. Approximately two-fifths (39.1%) of businesses had 1 to 19 employees, while businesses with 20 to 199 employees (2.1%) and over 200 employees (0.0% or 7 businesses), formed very low proportions.

RPS has estimated the number of additional businesses that will be required by 2036 in two scenarios—

- to maintain the current number of businesses per 1000 people in Moreton Bay LGA (MB Ratio) and
- to bring the number of businesses per 1000 people in Moreton Bay LGA in line with the Queensland business to population ratio (QLD Ratio).

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17 ABS (2018), Counts of Australian Businesses, including Entries and Exits, Jun 2013 to Jun 2017, Cat. No. 8165.0, Australian Bureau of Statistics, Canberra
The results of this modelling are illustrated in the figure below.

In order to keep up with the population growth of Moreton Bay LGA and converge the business to population ratios with Queensland averages, RPS estimates that Moreton Bay will need an additional 29,700 businesses by 2036.

Figure 22  Total Business Requirement, Moreton Bay, Current Moreton Bay and Queensland Business to Pop Ratios, 2017 and 2036

This represents growth of 109% in 19 years from 2017 or approximately 1500 new businesses (net) being established in Moreton Bay every year. By comparison, business growth in Moreton Bay between 2015 and 2017 was growing at approximately half this rate.

3.2.3 Gross Regional Product

There has been an acceleration in the Moreton Bay economy in recent years, with the real Gross Regional Product (a measure of the economic activity or value added in the regional economy) increasing to over $17b in 2017 (based on $2016)\(^\text{18}\).

This growth has been faster than the underlying population growth of Moreton Bay over this period, which has resulted in the Gross Regional Product per capita increasing away from its long-term average of around $29,500 per person to upwards of $37,000 per person.

This acceleration in the local economy is in part a reflection of the growth of businesses in the area, as well as moderate income growth that continues to maintain Moreton Bay incomes above the State average. Despite this, the Moreton Bay economy continues lag behind the State in terms of per capita Gross Product. In 2017, Queensland had a real Gross State Product per capita of $68,400\(^\text{19}\).

It is important that Queensland’s Gross State Product per capita is in part a reflection of the impact of mining output, which makes a significant contribution to State income and GSP. However, the comparatively depressed mining investment and production, particularly in coal, has also been a factor weighing on the


\(^{19}\) ABS (2018) Australian National Accounts: State Accounts Cat No 5220.0, Australian Bureau of Statistics, Canberra
growth rate of GSP per capita in the State over the past decade, allowing Moreton Bay to grow faster and start to converge.

Figure 23  
Real & Nominal Gross Regional Product, Moreton Bay 2008 to 2017

Figure 24  
Real & Nominal Gross Regional Product, Moreton Bay 2008 to 2017

3.3 Key Findings

Moreton Bay is characterised by strong population growth which has seen an uptick in economic growth in the past few years, partly in response to stronger business growth and an uptick in incomes. Despite this, the future population growth of Moreton Bay, as defined in ShapingSEQ – SEQ Regional Plan, means this
economic and business growth must not only be maintained but accelerated if below average business registrations, lower employment self-sufficiency and below average GRP per capita are to be addressed.

Therefore, in order to grow the economy and maintain and enhance the prosperity and quality of life, RPS estimates that Moreton Bay will need 29,700 new additional businesses by 2036 to keep up with population growth and converge with Queensland averages. This represents growth of 109% in 19 years or 1,500 new businesses every year.
4 EXPORT POTENTIAL OF MORETON BAY

This section profiles examines the export potential of the local economy and assesses the competitiveness of Moreton Bay as an exporting region.

4.1 Export Potential

International export data is not available at the sub-State level. However, RPS has analysed two key metrics to understanding the capacity or “propensity” of Moreton Bay industries to export:

- **Local “exports”** – sales and trade outside of the Moreton Bay region to other parts of Australia and the world. Represents economic activity not linked to local population or economy servicing.
- **International Export “Propensity”** – assessment of the impact of the local industry structure on the potential or “propensity” of Moreton Bay businesses to export, assessed on a per worker basis.

These two indicators provide insights into the degree to which Moreton Bay’s economy is externally focused.

4.1.1 Local “Exports”

Local “Exports” refers to trade and exports by Moreton Bay LGA outside of Council Area. This includes domestic intra and interstate trade to other regions inside Australia as well as overseas. This measure does not measure the level of international exports from the Moreton Bay region, but does provide an indicator of the degree to which businesses and industry in the region are “externally” focused and not reliant on the local market for their sales and turnover.

Based on Regional “Exports” data from REMPLAN, Manufacturing and Construction are the two main industries trading outside of Moreton Bay LGA. This is followed by Agriculture, Education and Training and Rental, Hiring and Real Estate Services, though to a much less degree.

4.1.2 International Export “Propensity”

In contrast, it is possible to assess the international export “propensity” or potential of an area but considering the industry structure of the Moreton Bay economy and its exposure to industries and sectors with traditionally higher export focus.

Figure 25  Moreton Bay Local “Exports”, by Industry, 2017
This analysis examined the per worker value of exports, by industry across the Queensland economy and then applies this per industry ratio to the number of workers in Moreton Bay. The total export “propensity” across all sectors is then calculated and compared with the total employment to get an average export propensity for the Moreton Bay economy as a whole.

This approach is illustrated in the following figure.

![Figure 26 Moreton Bay Average Export Potential per Worker Calculation](image)

Overall, the industry structure of the Moreton Bay jobs market and economy means that the average export propensity per worker is lower than that of the state of Queensland. Excluding mining, the average export potential per worker in Moreton Bay LGA is $3,875, compared with $5,443 across Queensland.
4.2 Moreton Bay Competitiveness Profile

4.2.1 Competitiveness Profile

Countries, regions, communities and organisations must become more competitive if they are to maintain their economic position and respond to challenges such as perceived productivity gaps, competition for mobile investment, rapid adoption of new technology and electronic commerce.

The Organisation for Economic Co-Operation and Development (OECD) defines a competitive region as one that can attract and maintain successful firms and maintain or increase standards of living for the region’s inhabitants. This means that skilled labour and investment will gravitate away from uncompetitive regions towards more competitive ones.


![Porter’s Adjusted Diamond Model]

The Diamond Model was originally developed to analyse competitiveness at a national level but has since been widely applied to regions and industry clusters.

The components of the Porters Diamond Model include:

- **Factor Conditions** – refers to the factors of production such as location, land, climate/environment, resources, labour and infrastructure and their relative quality, accessibility and suitability;
- **Demand Conditions** – refers to the state of the market for the goods and services. Strong markets with sophisticated and quality focused consumers provide businesses with incentive to innovate and grow.
into exporting firms while access to enabling infrastructure (e.g. ports, airports, roads) provides businesses with access to regional and international markets;

- **Related and Supporting Industries** – refers to the depth and diversity of businesses that input into the supply chain of the principal activity. Can include direct inputs to production as well as activities that enhance business performance and operation (e.g. a high amenity location that supports the attraction and retention of skilled labour);

- **Firm Strategy, Structure and Rivalry** – represents the impact of local competition on propensity of businesses to innovate and the suitability of their strategies and corporate structures to facilitate this innovation; and

- **Innovation** – includes core facilities, technologies, processes and services that support innovation by industry such as proximity to research and development capacity (like a university), access to quality telecommunications technology and the emergence of new business models (such as ecommerce, crowd sourced financing and cloud computing).

Government also plays an important role in supporting and facilitating the economic competitiveness of a region. The results of the competitiveness assessment will be summarised into a table, identifying advantages and challenges facing each area under each aspect of the diamond.

The results of the competitive assessment for Moreton Bay are outlined in the following table.

### Table 3 Business Competitiveness Summary, Moreton Bay LGA

<table>
<thead>
<tr>
<th>Diamond Component</th>
<th>Advantages</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor Conditions</strong></td>
<td>• Coastal Location on Moreton Bay</td>
<td>• Labour force skills and education profile below State averages.</td>
</tr>
<tr>
<td></td>
<td>• Location between Sunshine Coast and Brisbane as part of SEQ</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Large and growing workforce</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Strong accessibility north and South via Bruce Highway</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• New investment in train rail infrastructure connecting Redcliffe</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• to Translink Rail network at Petrie.</td>
<td></td>
</tr>
<tr>
<td><strong>Demand Conditions</strong></td>
<td>• Relative proximity to major export infrastructure including port and</td>
<td>• The regional industry structure has a strong focus on servicing the local economy, including internally focused manufacturing, construction and population services at the expense of external markets.</td>
</tr>
<tr>
<td></td>
<td>airport infrastructure.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Proximity to Brisbane, a major capital city market in Australia, with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>significant public and private sector markets.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Rapid population growth creating strong local markets.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Strong growth in household creation and new dwellings, supporting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>opportunities in population services.</td>
<td></td>
</tr>
<tr>
<td><strong>Related and Supporting Industries</strong></td>
<td>• Local manufacturing supply chains are relatively deep.</td>
<td>• Local supply chains outside of manufacturing and construction are limited.</td>
</tr>
<tr>
<td></td>
<td>• Strong access to national and international supply chains through</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bruce Highway, and Brisbane Port and Airport.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Moreton Bay is a major population growth centre, meaning it has a large and growing workforce.</td>
<td></td>
</tr>
</tbody>
</table>
A review of key advantages and challenges of the Moreton Bay economy through the Porters Diamond Model confirmed that there are current industry and economic structural constraints to the widespread implementation of pro-export policies and initiatives. The population servicing focus of the economy continues to be the dominant focus, with export opportunities currently limited to parts of the manufacturing sector.

Moreton Bay has a competitive opportunity increase exports thanks to close proximity to major export infrastructure, including rail, road, port and airport infrastructure. Similarly, the establishment of the University of Sunshine Coast Petrie Campus presents an opportunity to foster local business-academic research partnerships and increase the qualification base of the local labour force.

### 4.3 Key Findings

Moreton Bay has a below average export potential owing to its industry structure and the local/domestic focus of a number of sectors (health, education, retail etc), which feature prominently in the local economy. Despite this, the region possesses a strong manufacturing base which provides some opportunities for future export growth in machinery, equipment and technology related sub-sectors.

The region also benefits from proximity to major domestic markets (namely Brisbane), a fast growing population and labour force and access to major exporting infrastructure such as the Brisbane Airport and Port of Brisbane. It is also well serviced by road and increasing rail transport infrastructure. This environment will be further enhanced by the establishment of the University of Sunshine Coast Petrie Campus, which will intensify and expand the tertiary education options within Moreton Bay and provide local business/academic research partnership opportunities.
Realising this potential however will require a structural shift in the economy away from an almost exclusive focus on domestic production and sales, with the entry of new businesses into the Moreton Bay economy a critical opportunity to facilitate this shift.
5 IMPLEMENTATION AND RECOMMENDATIONS

This section outlines key implementation actions, initiatives and recommendations, considering the current Government and trade facilitation framework in Queensland and Moreton Bay.

5.1 Role of Government in Moreton Bay

All three levels of Government are represented in Moreton Bay. These include (but are not limited to):

- **Moreton Bay Regional Council** – responsible for local and regional land use planning and the delivery of enabling local infrastructure at key economic nodes and business clusters. At present MBRC has no dedicated export policy or strategy, with exports referenced but not identified as a Target area of the Economic Development Action Plan 2017-2022.

- **Queensland Government** – represented through a number of service delivery agencies (such as Departments of Health and Education) as well as Department of State Development, Manufacturing, Infrastructure and Planning North Lakes office. Also represents by Trade and Investment Queensland representatives, based out of Brisbane;

- **Australian Government** – through Regional Development Australia Moreton Bay as well as through Austrade representatives based out of Brisbane.

Each level of Government has the opportunity to play an important role in fostering improvements in the export intensity of the Moreton Bay economy.

Key elements of the trade and export focus of each level of Government is outlined in the following sections.

5.1.1 Role of Austrade and TIQ

Both Federal and State Governments have dedicated trade facilitation and support agencies in the form of Austrade and Trade and Investment Queensland. These organisations provide similar, albeit somewhat differentiated support to current and prospective exporters. The profile of these organisations is outlined below.

5.1.1.1 Austrade

The Australian Trade and Investment Commission – Austrade – contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- develop international markets and promote international education
- win productive foreign direct investment
- strengthen Australia’s tourism industry
- seek consular and passport services.

Austrade leverages the deep commercial knowledge and relationships of our international and domestic networks, and the badge of government, to deliver value for our clients and investors. It is Austrade’s focus to:

- connect export-ready Australian businesses to overseas opportunities and work with them to achieve commercial outcomes
- win productive foreign direct investment
- promote Australian capability internationally
• work with priority industry sectors to drive sustained long-term growth of Australian exports
• reduce the time, cost and risk for our clients
• provide authoritative commercial insights and information to help clients to make informed business decisions
• inform and influence policy to support positive trade and investment outcomes
• provide financial assistance for exporters through programs like the Export Market Development Grants scheme
• support Australia’s regional exporters through the TradeStart network
• contribute to economic diplomacy and protect the welfare of Australians abroad through timely, responsive consular and passport services in specific locations\textsuperscript{20}.

5.1.1.2 Trade and Investment Queensland

TIQ is the Queensland Government’s dedicated global business agency, helping Queensland exporters take their products to world markets, and promoting Queensland as the perfect place for investment.

TIQ has global representatives in 12 markets around the world, and regional trade and investment advisors in major centres across Queensland.

The major global markets where TIQ are represented include:

• ASEAN;
• China;
• Europe;
• Hong Kong;
• India;
• Indonesia;
• Japan;
• Korea;
• Latin America;
• Middle East;
• North America; and
• Taiwan.

The Regional Advisor covering the Moreton Bay is based in the Sunshine Coast region.

5.1.2 Trade Framework in Queensland

Queensland trade framework is primarily established through a combination of State and Federal Government policies, strategies and initiatives. The following table summarises key findings from the main documents that comprise this framework.

\begin{table}[h]
\centering
\caption{Trade Framework in Queensland}
\end{table}

### Queensland Trade and Investment Strategy 2017-2022

<table>
<thead>
<tr>
<th>Framework Component</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Targets**         | • Increase Queensland’s share of national overseas exports to 22% and maintain through to 2022  
                      • Increase the number of investment outcomes facilitated by the Queensland Government by 20% by 2022 |
| **Timeframes**      | • Launched 18 April 2017  
                      • 5-year horizon (2017-2022) |
| **Funding**         | • A$35 million over 5 years |
| **Delivery**        | • Led by Trade and Investment Queensland (TIQ)  
                      • Delivered in cooperation with government departments, business, local councils and major institutions |
| **9 Priorities to Capitalise on Global Megatrends** | o Build on our strengths  
                                              o Further Diversify our economy  
                                              o Target key markets  
                                              o Build export capabilities  
                                              o Foster export opportunities  
                                              o Facilitate investment  
                                              o Promote investment in infrastructure  
                                              o Pursue investment in innovation  
                                              o Support regional growth |
|                     | • There are a further 22 initiatives across 6 categories including:  
                                              o Developing Future Leaders  
                                              o Improving the Client Experience  
                                              o Supporting Businesses  
                                              o Strengthening the Regions  
                                              o Promoting Queensland Globally |

### Queensland-India Trade and Investment Strategy 2018-2023

<table>
<thead>
<tr>
<th>Framework Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vision</strong></td>
<td>• Position Queensland as an active partner in India’s growth story through building long-term relationships</td>
</tr>
</tbody>
</table>
| **Targets**         | • Increase the number of opportunities in India facilitated by the Queensland Government by 50% over 5 years  
                      • Increase total exports from Queensland to India by 15% over 5 years |
| **Current Challenges** | • Business Culture – India’s businesses typically expect high levels of communication and persistence and prefer face-to-face meetings. They are typically less risk averse than Queensland businesses.  
                              • Market Opacity – Indian regulatory environment can be difficult to navigate ( tariffs, fees & import taxes) for Queensland businesses and vice versa. Indian Customer needs vastly differ from Queensland.  
                              • Competitiveness – Relatively high self-sufficiency in India with intense market competition. Indian businesses are highly price sensitive.  
                              • Ability to Partner – Due to high dependence on relationship India can be difficult in engage in without local insights. |
| **Key Initiatives**  | }
- Elevate the profile of the Queensland-India trade and investment relationship
- Build business capability
- Develop market intelligence
- Foster relationships
- Facilitate collaboration
- Queensland Sectors
- International education and training
- Tourism and Major Events
- Mining and METS (mining equipment, technology and services)
- Food and Agribusiness
- Healthcare

<table>
<thead>
<tr>
<th>Advancing Queensland Small Business Strategy 2016-20</th>
<th>Business Growth Fund Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Targeted assistance for small and medium businesses that demonstrate high-growth and employment aspirations.</td>
<td>• Funding of up to $50,000 (excluding GST) may be provided for eligible businesses to purchase and implement highly specialized equipment or services.</td>
</tr>
<tr>
<td>• Successful applicants must provide a co-contribution of between 25% and 50% of the total project cost.</td>
<td>• The equipment or service must have a direct link to increasing employment or contributing to the business' growth strategy.</td>
</tr>
<tr>
<td>• The equipment or service must have a direct link to increasing employment or contributing to the business' growth strategy.</td>
<td></td>
</tr>
</tbody>
</table>

**Eligibility:**
- Minimum trading history of 3 years at the time of application
- Minimum turnover of $500,000 for the previous financial year
- Fewer than 50 employees
- Have an ABN (Australian Business Number)
- Have Queensland headquarters
- Have competitive opportunities in domestic or international markets
- Be experiencing growth and have clearly defined high-growth and employment opportunities in Queensland
- Not be insolvent

**Small Business Digital Grants**
- Assisting small businesses access digital technologies and services to help them work smarter, engage with the global economy and make the most of online business opportunities arising from digital disruption.
- Matched funding up to $10,000 (excluding GST) for eligible businesses for the purchase of hardware, software & services. Minimum grant funding of $1,000.
- The business must show how the digital technology or service will enhance the digital capabilities of the business and help them be more competitive and employ more staff.

**Eligibility:**
- Fewer than 20 employees and
- Have an ABN (Australian Business Number) and Queensland HQ
- $2 million or less of turnover in the previous financial year
- Not be insolvent
5.2 Key Federal Initiatives and Grants

In addition to State Government policies and strategies, there are a number of key Federal Government initiatives and grants relating to trade and export development.

These include:

- Small and Medium Enterprises (SME) Export Hubs
- Export Market Development Grants (EMDG)
- Industry Growth Centres Initiative
- Efic (Australian Export Finance Corporation)
- The Entrepreneurs’ Programme

These are summarised in the following section.

5.2.1 Small and Medium Enterprises (SME) Export Hubs

The SME grant opportunity supports SME Export Hubs in the development of local, regional and Indigenous brands through business collaborations in the identified areas of competitive strength.

The objectives of the grant opportunity are to:

- support the establishment and/or operation of SME export hubs (export hubs) in the six Growth Centre sectors:
  - Advanced Manufacturing
  - Cyber Security
  - Food and Agribusiness
  - Medical Technologies and Pharmaceuticals
  - Mining Equipment, Technology and Services
  - Oil, Gas and Energy Resources.
- support SME development through facilitation of export opportunities and working with the Growth Centres.

The grant amount is up to 50 per cent of eligible project costs and between $150,000 and $1.5 million.21

5.2.2 Export Market Development Grants (EMDG)

The EMDG scheme is an Australian Government financial assistance program for small to medium aspiring and growing export-ready businesses. It is administered by AusTrade and has an annual budget of $137.9 million.

The Grants reimburses up to 50 percent of eligible export promotion expenses above $5,000, provided total expenses are at least $15,000.

Each applicant may receive up to $150,000 per application, to a maximum of eight annual grants.22

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5.2.3 Industry Growth Centres Initiative

The Industry Growth Centre Initiative is an ongoing, with government investing $238 million over the next four years from 2017/18 to 2020/21. Growth Centres have been established in six industry sectors of competitive strength and strategic priority:

- Advanced Manufacturing Growth Centre (AMGC)
- Cyber security Growth Centre (AustCyber)
- Food and Agribusiness Growth Centre (Food Innovation Australia Ltd (FIAL))
- Medical Technologies and Pharmaceuticals Growth Centre (MTPConnect)
- Mining Equipment, Technology and Services Growth Centre (METS Ignited)
- Oil, Gas and Energy Resources Growth Centre (National Energy Resources Australia (NERA))

Collectively, existing growth centres have:

- Engaged with over 25,170 organisations and firms
- Committed $46.4 million to 137 projects and leveraged more than $63.2 million from industry and research partners with the total direct value of these projects exceeding $109 million
- Provided over 1500 participants with the opportunity to connect to markets and supply chains at domestic and international trade shows
- Delivered 350 skills workshops on 17 topics to over 10,000 participants
- Collaborated on 17 regulation reforms projects\(^\text{23}\).

5.2.4 Efic (Australian Export Finance Corporation)

Efic is Australia’s export credit agency and provides Australian exporters with a range of specialist finance solutions to help them take on the world. This includes loans, bonds and guarantees.

One example is a Small Business Export Loan - an unsecured, government-backed loan solution for businesses with a turnover of more than $250K. The loans are targeted at small businesses requiring finance support for export transactions in circumstances where their normal banking and financial institutions are unable to assist. Loans can be valued at $20,000 to $350,000 and be used to help fund export-related contracts, tourism growth or online sales to international customers\(^\text{24}\).

5.2.5 The Entrepreneurs’ Programme

The Entrepreneurs’ Programme is the Australian Government’s flagship initiative for business competitiveness and productivity.

The programme offers support to businesses through four elements:

- **Accelerating Commercialisation** — helps small and medium businesses, entrepreneurs and researchers to commercialise novel products, services and processes.
- **Business Management** — provides access to a national network of experienced business advisers and facilitators to assist you to improve your business practices, become more competitive, and take

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advantage of growth and collaboration opportunities in order to increase your business’s capability to trade in Australian markets and/or markets in other countries.

- **Incubator Support** — assists new and existing incubators to improve the prospects of Australian start-ups achieving commercial success in international markets, through helping them to develop their business capabilities.

- **Innovation Connections** — experienced Innovation Facilitators work with your business to identify knowledge gaps that are preventing your business growth. The outcome is an Innovation Facilitation Report.

Practical support for businesses includes:

- advice from people with relevant private sector experience
- co-funded grants to commercialise new products, processes and services
- funding to take advantage of business improvement and growth opportunities
- connection and collaboration opportunities

### 5.3 Priority Export Opportunities

Based on the research outlined in this report, including a review of the industry structure of the Moreton Bay economy as well as a review of target industries and sectors by a range of Queensland and Australian Government, RPS has identified a number of priority export industries for the Moreton Bay region.

These opportunities represent the areas where the RDA and other Local, State and Federal Government agencies should focus their efforts and investment to help improve the export capabilities and potential of the Moreton Bay business community.

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These opportunities are outlined below:

- **Equipment Manufacturers** – Stakeholder engagement has identified a cluster of equipment manufacturers already actively engaged in export markets as a core and central part of their businesses. Leveraging this existing cluster to encourage more machinery, technology and equipment manufacturers to export, either directly to customers or through overseas distributors must be a priority.

- **New Businesses** – with new business formation accelerating and need to more than double over the next two decades, efforts should be focused on encouraging new businesses in the region to be export oriented from their commencement.

- **Micro-Online Businesses** – support should be provided to micro-online businesses operating within Moreton Bay to target global markets directly and through global platforms. Leverages the rowing population and households in the area (as many micro-online businesses are home based) as well as the region’s proximity to the Brisbane Airport for airfreight.
• **International Education** – the establishment of the University of Sunshine Coast Petrie campus will provide opportunities for international education services to be provided from the Moreton Bay region, attracting students from major global markets.

• **Construction Technology and Services** – the concentration of residential construction activity in Moreton Bay presents an opportunity for construction technology and services to be fostered as a competitive advantage of the region, with a strong export focus of the sector.

### 5.4 Role of the RDA

RDAMB has the potential to address current local policy and export support gaps in Moreton Bay by playing a primary advocacy, information and promotion role. This would entail establishing RDAMB as:

- A major source of information on exports including:
  - export opportunities,
  - local supply chains and
  - export administration and grant application.
- A major facilitator of export networking and communications, including workshops, presentations; and
- A primary representative of the region to different State and national industry and export associations and groups, including attendance at conferences, events and conventions with the aim of promoting Moreton Bay as an export region.

![Figure 30 RDAMB Role](image)

Additionally, RDAMB has the potential to play a secondary and supporting role in investment and business attraction, small business incubation and other export development initiatives and actions by State and Local Government representatives.

This will necessitate an enhancement in the engagement with the Queensland Government’s Department of State Development, Manufacturing, Infrastructure and Planning and Moreton Bay Regional Council.

Additionally, regular engagement is recommended with both Austrade and Trade and Investment Queensland representatives responsible for Moreton Bay.

### 5.5 Actions, Initiatives and Recommendations

From the research undertaken in this report, as well as other desktop research, RPS has identified a number of key initiatives, actions and recommendations for consideration by RDAMB. These Recommendations are outlined in the following Recommendation Matrix which includes information on:

- Relevant Stakeholder Group / Industry – general and specific stakeholders and industry groups the recommendation relates to (excluding delivery partners)
• Relationship with Other Recommendations
• Indicative Cost/Budget Allowance – indicative only
• Timeframe for Implementation Delivery – short term (<1 year), medium term (1-5 years) and long-term (>5 years); and
• Other Organisations / Partners for Delivery.
## 5.6 Recommendation Matrix

<table>
<thead>
<tr>
<th>No.</th>
<th>Recommendation</th>
<th>Description</th>
<th>Relevant Stakeholder Group / Industry</th>
<th>Relationship with Other Recommendations</th>
<th>Indicative Cost (excl GST)</th>
<th>Timeframe for Implementation Delivery</th>
<th>Other Organisations / Partners for Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Moreton Bay Business Attraction and Export Prospectus</td>
<td>10-12 page region-focused investment prospectus with a focus on business attraction and export development. Designed to be collateral for State and Federal Government investment attraction activities as well as support RDA to interrogate the database to identify potential supply chain gaps to inform business attraction efforts.</td>
<td>All Exporters</td>
<td>5, 6</td>
<td>$15,000</td>
<td>Short</td>
<td>Austrade and TIQ as recipients of the information.</td>
</tr>
<tr>
<td>2</td>
<td>Regional Supply Chain Capability Database</td>
<td>Online web-based searchable data base of business and industry capabilities across a range of export-related supply chains located within Moreton Bay. Provides dynamic information for prospective and existing exporters and major businesses as well as capability for RDA to interrogate the database to identify potential supply chain gaps to inform business attraction efforts.</td>
<td>All Exporters</td>
<td>10</td>
<td>$25,000</td>
<td>Short</td>
<td>NA</td>
</tr>
<tr>
<td>3</td>
<td>Incorporate Exports into Innovation Hub/Incubator models</td>
<td>Sophisticated customer requirements (namely from global export oriented customers) are a major driver of business and industry innovation. Any efforts to develop a business or innovation incubator in Moreton Bay should include a strong focus on export incentives and capability development. Access to the incubator could be provided as a reward for the winner of the Exporter of the Year.</td>
<td>Equipment Manufacturers, New Businesses, Micro-Businesses, Construction Tech and Services State and Federal Government</td>
<td>7</td>
<td>NA (Policy/Advocacy)</td>
<td>Medium</td>
<td>State and Federal Governments</td>
</tr>
<tr>
<td>4</td>
<td>Regional Export Council</td>
<td>Long-term business representative body charged with carrying a cohesive export-oriented brand for Moreton Bay for use by all exporters and establish networking and market access opportunities.</td>
<td>All Exporters</td>
<td>11</td>
<td>$250,000 (secretariat costs)</td>
<td>Long</td>
<td>State and Federal Government, MBRC</td>
</tr>
<tr>
<td>5</td>
<td>RDAMB Representation in Associations and Export Groups</td>
<td>Allowance for RDAMB representatives to join industry association and groups that relate to exports. This may include participation in general export groups as a member, or observer status in industry-specific associations and groups. Join to foster relationships with exporters and other policy makers and stakeholder groups.</td>
<td>RDAMB</td>
<td>1, 6</td>
<td>Typically $500 per association + event specific attendance costs</td>
<td>Short</td>
<td>NA</td>
</tr>
<tr>
<td>6</td>
<td>Trade and Export Expo Attendance</td>
<td>Allowance for RDAMB representatives to attend and man trade and export expos across Australia, with a focus on promoting Moreton Bay as a destination for export businesses to relocate and establish.</td>
<td>RDAMB</td>
<td>1, 5</td>
<td>Varies (~ $2,000 + materials)</td>
<td>Medium</td>
<td>NA</td>
</tr>
<tr>
<td>7</td>
<td>Export Awards</td>
<td>Continue to support the promotion of high performing exporters in the region through the annual Export Awards.</td>
<td>RDAMB, All Exporters</td>
<td>3</td>
<td>Current</td>
<td>Short</td>
<td>Current stakeholders</td>
</tr>
<tr>
<td>8</td>
<td>Incorporation of Export Topics into Regular Workshop Series</td>
<td>RDAMB regularly hosts and facilitates workshops on a range of business-related topics for Moreton Bay industry. It is recommended that exports play a more prominent place as a topic in the workshops.</td>
<td>All Exporters</td>
<td>-</td>
<td>Current</td>
<td>Short</td>
<td>NA</td>
</tr>
<tr>
<td>9</td>
<td>University of Sunshine Coast Engagement</td>
<td>RDAMB should seek to engage with the University of Sunshine Coast to understand and position itself to facilitate and promote the emerging Petrie campus as an international education destination, while also encouraging industry-academic relationships and applied research opportunities.</td>
<td>RDAMB, University of Sunshine Coast</td>
<td>-</td>
<td>NA (Policy/Advocacy)</td>
<td>Long</td>
<td>University of Sunshine Coast, MBRC</td>
</tr>
<tr>
<td>10</td>
<td>Procurement and Quality Standards Awareness Training</td>
<td>RDAMB should seek to promote Moreton Bay businesses meeting and complying with international standards, including RDAMB, All Exporters</td>
<td>RDAMB, All Exporters</td>
<td>2</td>
<td>TBD</td>
<td>Medium</td>
<td>NA</td>
</tr>
<tr>
<td>No.</td>
<td>Recommendation</td>
<td>Description</td>
<td>Relevant Stakeholder Group / Industry</td>
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<tr>
<td>11</td>
<td>Regional Export and Industry Brand</td>
<td>Establish a regional “brand” for Moreton Bay industry and exports. This brand, including logo and associated ephemera, will be available to export businesses that are certified to be located in Moreton Bay. This brand material should be provided freely to Moreton Bay businesses.</td>
<td>RDAMB, All Exporters</td>
<td>4</td>
<td>$1,000,000 + ongoing support through secretariat</td>
<td>Long</td>
<td>State and Federal Governments, MBRC</td>
</tr>
</tbody>
</table>

Quality and Sustainability. These standards are increasingly essential and necessary requirements.