

SYDNEY & NEW SOUTH WALES

# Retail





## OPEN FOR BUSINESS

An introduction to the retail sector in New South Wales (NSW)

Consistent growth has always been the hallmark of a successful economy. It's a sign of progress, of opportunity, and of just how far a State has come – and how far it can go.

In New South Wales (NSW), few industries have shown such consistent growth as the retail sector. Several large organisations dominate the retail landscape, and tens of thousands of small and medium businesses are injecting a constant stream of innovation, vitality and diversity. This potent combination is continuing to achieve upward momentum, and making the NSW retail sector a diverse and thriving force.



## BUSINESS IS BOOMING

With so much to be proud of, it will come as no surprise that in 2009–10 our retail sector made up five per cent of total industry value added (around \$17.2 billion), with this figure expected to increase more than 20 per cent as the decade progresses.

For the retail sector in NSW, this is a time of unrivalled opportunity. And it just might be the right time for you to join us.

# A LOT TO CHECKOUT

NSW's competitive retail advantages.

There are several reasons for the strength and optimism surrounding the retail sector in NSW.

## A GLOBALLY ATTRACTIVE DESTINATION

The attraction of our State's capital city, Sydney, is undoubtedly one. It has been ranked among the top retail cities in the world, behind cities like New York and Paris, and has the highest ranking in Australia. Sydney offers a unique retail experience, with a high concentration of premium international fashion brands, and a wide range of innovative retailers.

## A HUB FOR INTERNATIONAL TOURISM

Another reason is Sydney's position as a hub of international tourism.

Sydney is Australia's most popular gateway for international tourists – and they spend around a third of their expenditure on retail. In 2009, NSW received 2.7 million international visitors, more than half the total of international visitors to Australia.

## STRONG DOMESTIC DEMAND

Furthermore, domestically NSW has Australia's largest population and an above-average weekly income, which promotes strong demand in the retail sector.

## STRONG INFRASTRUCTURE

NSW has a well developed retail and supply chain infrastructure, which includes major shopping centres, distribution facilities and logistical support in metropolitan and regional areas. And we're also upgrading our freight strategy to improve supply chain performance to cater for the expected freight growth.

## CLOSE TO FINANCING AND RELATED SERVICES

Sydney is a major global financial centre, commanding credibility, prestige and access to finance among corporate investors in the retail sector. The wide variety of languages spoken here (over 140) also makes us an attractive location for regional retail headquarters.

# NO SMALL CHANGE

Research and development within the NSW retail sector.

With so much positive change occurring, there has never been a greater need for businesses to innovate.

And nowhere has innovation been embraced more freely than in information and communications technology (ICT).

The demand for e-commerce has increased considerably as retailers have identified the opportunity to personalise the retail experience to suit their customers' individual needs.

E-commerce also gives our retailers the chance to interact with consumers online. Research shows that Australian consumers want even more interaction with retailers and the National Broadband Network (NBN) will help make that happen. With that in mind, the e-commerce marketplace is predicted to increase from \$12 billion in 2010 to \$18 billion by the end of 2014.

## OPPORTUNITY KNOCKS

As the international demand for e-commerce increases, NSW-based retailers will be able to use these technological advancements to offer their products all over the world through a whole range of different methods. For example, consumers in India, China and Brazil are among those embracing multiple technologies for shopping. These markets present massive opportunities to our retailers.

And as new markets emerge, other advancements in ICT are helping us create a more streamlined and efficient retail supply chain. It's now easier than ever before to manage stock and control distribution, wherever your goods need to go.

# FASHION, GROCERIES, DIY AND BEYOND...

Why the NSW retail sector is on the up.

Over the next decade, population and economic growth in NSW is expected to continue.

This obviously creates real opportunities for the retail sector – in terms of size and segmentation. And set to capitalise on these opportunities are a number of big retailers.

Leading the charge are two domestic retail giants, Woolworths and Wesfarmers – ranked 26th and 28th largest companies in the world by Deloitte in 2010. These companies deliver diverse retail operations, with everything from supermarkets and discount department stores, to liquor, hardware, fuel and gaming. And both have existing or impending 'big box' warehouses set to make a mark on the DIY market. These two major players of retail are joined by other significant organisations like Costco, ALDI, IKEA, and Metcash (IGA), who also have significant expansion plans across NSW.

## GIVING THE PEOPLE WHAT THEY WANT

The next 10 years are also expected to bring considerable changes to the pattern of consumer demand. This will mean new consumer preferences and an extended range of products, such as a greater focus on environmentally friendly products, do it yourself (DIY) markets, and a preference for local suppliers. And due to our State's diversity in population, skills and industry, our strengths in education and research, and our close connection with global markets, we're in an ideal position to really capitalise on this change in demand.



# WE'RE SOLD ON RETAIL

NSW Government support for retailers

The NSW Government is dedicated to working with our major retailers and incoming investors to attract more retail projects to NSW.

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In recent years we've supported the moves and expansion plans of several big name retailers. These include Costco at Auburn, which created more than 300 jobs; IKEA headquarters in Tempe, supporting 300 construction posts, and 270 full-time and 180 part-time jobs; and Mirvac's construction of distribution centres for Big W and Dick Smith at Hoxton Park, creating over 1,200 jobs.

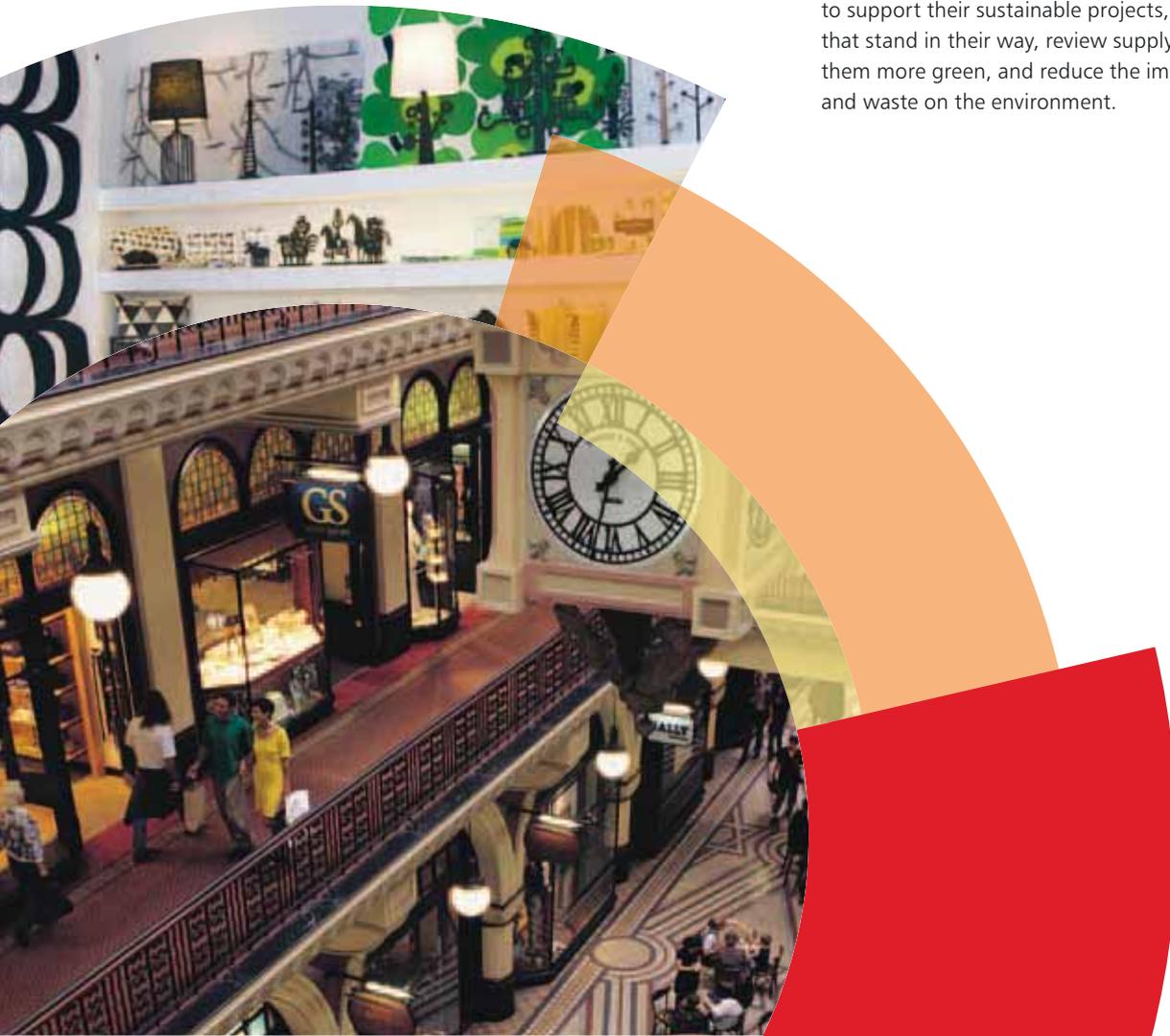
## REDUCING COSTS AND SHARING KNOWLEDGE

We're also developing a 25-year freight strategy for NSW that will incorporate all elements of our freight supply chains, helping reduce transport costs for retailers and improving productivity.

The NSW Government works with leading industry associations – like the Australian Railway Association, Australian Logistics Council, Australasian Productivity and Inventory Control Society – to share knowledge and promote retail logistics best practice.

## ON GREEN ALERT

Major retailers in NSW are leading practitioners of environmental sustainability not only in their operations but also in their supply chains. And the NSW Government is working with these retailers to support their sustainable projects, remove barriers that stand in their way, review supply chains to make them more green, and reduce the impact of packaging and waste on the environment.



## NSW TRADE AND INVESTMENT

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