



**REPORT OF THE VISIT BY THE RT HON THE LORD MAYOR OF LONDON (ALDERMAN
CHARLES BOWMAN) TO AUSTRALIA AND NEW ZEALAND
9-22 FEBRUARY 2018**

BACKGROUND

1. The Lord Mayor (LM) visited Sydney, Canberra, Melbourne and Auckland on 9-22 February 2018. He was accompanied by Alastair Lukies CBE, the Prime Minister's Business Ambassador for Fintech, and Sheriff Neil Redcliffe, as well as a delegation of 13 senior business leaders.
2. The visit focused on fintech, cyber and asset management, with additional meetings touching on green finance and infrastructure financing and investment.

SUMMARY

3. This was a highly successful and impactful visit that exceeded expectations. LM met key stakeholders in government, industry and regulatory authorities, including the Australian Treasurer, Rt Hon Scott Morrison MP, the Australian Stock Exchange, the Reserve Bank of Australia, Australia's 'Big Four' banks, the Mayor of Auckland, Phil Goff MP, New Zealand's Sovereign Wealth Fund, and a range of fintech businesses (full programme in Appendix A).
4. To support the trip, the City of London Corporation (CoLC) commissioned a piece of research 'From Strength to Strength', produced by International Investment Service. The research outlined opportunities for the UK, Australia and New Zealand to work together in the asset management, fintech and cyber industries.
5. CoLC has commissioned a piece of research (as a second output to that mentioned above) which will be launched in March 2018. It will review the challenges faced by businesses exporting to or investing in Australia and New Zealand and will provide recommendations to Government on considerations for FTAs.
6. There was a great deal of enthusiasm and opportunity in fintech, with the preparation of the UK-Australia Fintech Bridge reaching the final stages at the time of the visit, and New Zealand eager to partner with the UK in a similar fashion. In addition, the superannuation (pension) industry in both Australia and New Zealand are growing rapidly and their funds are major investors in UK infrastructure.
7. Interlocutors in both Australia and New Zealand expressed strong support to finalising ambitious bilateral FTAs with the UK as soon as possible after the UK's departure from the European Union in 2019.
8. A number of the business delegates cemented deals while in market and others also identified a number of FDI prospects created as a result of the visit. See Appendix B for details of the delegates and their successes.

DETAIL

9. Due to strong cultural and historical links, the UK is well positioned for increased collaboration and partnership with Australia and New Zealand post-Brexit. In addition, both Australia and New Zealand have the following additional business advantages:
 - a. Time zone differences effectively mean that UK businesses operating in the market can 'chase the sun' enabling 24-hr working.
 - b. Their populations are generally early adopters and digitally savvy.
 - c. They are small enough to be ideal testing grounds for innovation.
 - d. They can act as a launchpad to Asia.

AUSTRALIA

10. The visit to Australia took place against a backdrop of considerable change in the financial services sector. A Royal Commission (public inquiry) into Financial Services began during the visit. The release of the Open Banking Review Report and the launch of the New Payment Platform demonstrate that there is real and tangible reform and innovation taking place.
11. The services sector in Australia accounts for 73% of the economy and thanks to their prudential regulatory approach, Australia not only survived the 2008 Global Financial Crisis, but thrived in the ensuing aftermath. LM met senior executives of ANZ Bank, National Bank of Australia and Australian superannuation (pension) funds in Melbourne.
12. Australia is the 4th largest pension market in the world, and the largest in Asia; their **superannuation funds** are expected to grow from A\$2tn to A\$9.5tn (£1.1tn to £5.2tn) by 2035. This is a deep marketplace for overseas asset managers, particularly those with operations in the UK and other international markets where Australian superannuation funds are looking to diversify their portfolios. They are already major investors in UK infrastructure.
13. Much of the visit was focused on Australia's burgeoning fintech sector with the industry forecast to grow at 76.3% compounded annually to A\$4bn (£3.0bn) in revenue p.a. by 2020. LM visited Sydney's Stone & Chalk, the largest fintech hub in Asia, and Melbourne's York Butter Factory Ventures Fintech hub.
14. There are numerous opportunities for the UK and Australia to collaborate in fintech, and LM discussed the proposed **Fintech Bridge** at many meetings, including with the Treasurer, Rt Hon Scott Morrison MP, and the Shadow Treasurer, Hon Chris Bowen MP while in Canberra. The Treasurer was particularly enthusiastic about the Bridge and hoped to travel to London to sign the Bridge with the Chancellor of the Exchequer in March. There was universal support for a fintech bridge at all meetings where it was discussed, with a desire to make it the boldest yet. The increased 'domestic market' offered by a Bridge would enable the UK and Australia to challenge the USA in scale. The Bridge would also offer immediate and valuable opportunities for collaboration while working towards and FTA.
15. **Access to talent** to continue the growth in fintech and innovation was a key theme throughout the visit. The Sydney State Government underlined the need for talent, finance and innovation from the UK to support tech start-ups, services and infrastructure sectors. In Canberra, both the Treasurer and the Shadow Treasurer raised the challenge of access to talent and the need for a skilled workforce in fintech and cyber. **Cybersecurity** firm, Darktrace, estimated that 20,000 jobs would be created in cyber in the next few years. The Treasurer was keen to see more higher **education** in fintech and suggested a partnership with the UK.

16. The Australian Stock Exchange, Australian Securities and Investment Commission (financial services regulator) and the Reserve Bank of Australia were keen for UK investors to take advantage of new initiatives such as their fintech sandbox. There is an opportunity for closer collaboration with the City of London.
17. **Green finance** was also a key focus in Melbourne. In a meeting with the Victoria State Government's Department of Environment, Land, Water and Planning, it was widely accepted that sustainability is now an expectation rather than an optional extra. The Victorian State Government has set a target of 25% renewable energy by 2020.
18. LM's **Business of Trust** programme was extremely well-received and struck a chord as the Royal Commission got underway. Trust in fintechs and start-ups was a key theme in a discussion at the University of Melbourne.
19. There was universal desire to finalise an **FTA** as soon as possible after the UK's departure from the EU. All interlocutors agreed that it is vital that an FTA allows ease of movement of people and access to talent as well as improving the ease of doing business through mutual recognition of regulatory systems and compliance.

NEW ZEALAND

20. New Zealand is a considerably smaller market than Australia (population of 4.7 million in New Zealand vs 24.1 million in Australia) but consistently punches above its weight in terms of innovation and trading opportunities.
21. New Zealand is a very attractive market as it is ranked first place for ease of doing business by the World Bank (2017). However, it has issues of scale as it is under-capitalised and the smaller population makes access to talent a challenge. New Zealand therefore recognises the value in international partnerships and collaboration, particularly with its Asia-Pacific neighbours.
22. Meetings with New Zealand Trade and Enterprise, the Department of Internal Affairs, the Financial Markets Authority and the Ministry of Business, Innovation and Employment all indicated that New Zealand is keen to attract UK fintech companies and that they are open to reform to make the market more attractive. The regulatory regime in New Zealand is flexible and allows for peer-to-peer lending and equity crowd funding licences without needing regulatory changes. However, access to talent and funding are clear challenges for businesses wishing to scale up. This combination makes New Zealand an ideal partner for a **Fintech Bridge**, and all discussions about this were enthusiastically received.
23. There is an opportunity for the FCA and FMA to create a mutual recognition referral system so that New Zealand businesses can quickly and efficiently set up in the UK and vice versa.
24. All interlocutors were keen to finalise an **FTA** as soon as possible after the UK's departure from the EU, and the new Prime Minister Jacinda Ardern has emphasised her willingness for a progressive and values-based trade deal. The Mayor of Auckland, Phil Goff, explained the enormous growth that Auckland had seen from FTA and close trade ties with Asia (it was the first country to sign an FTA with China). He felt that an FTA with the UK and the CPTPP could lead to the creation of a 'tech common market' with Australia and Asia.
25. HRL Morrison & Co, the largest asset manager in New Zealand, highlighted the strength of the **fund management sector**. Total funds under management in New Zealand grew by 11.4% (£79bn) in 2017.

26. LM was able to elucidate the City of London's expertise as a **green finance** centre in meetings with HRL Morrison & Co, the Sovereign Wealth Fund and the NZ Venture Investment Fund.
27. LM's **Business of Trust** programme also struck a chord in New Zealand and was recognised as the CoLC's investment in maintaining its reputation as a trusted cluster of choice.

CONCLUSION

28. As well as providing immediate public diplomacy, political and commercial wins and demonstrating a renewed strategic focus by the City of London, LM's visit also highlighted the huge opportunity for collaboration in fintech. The creation of a UK-Australia-New Zealand fintech partnership through Fintech Bridges would act as a catalyst and enabler for greater market access to Asia.
29. The vast sums held in both nations' superannuation funds also present much opportunity for inward investment, through infrastructure and asset management.

Contact: Fiona Burford, Senior Programme Manager (fiona.burford@cityoflondon.gov.uk)
020 7626 2500

APPENDIX A

LORD MAYOR'S PROGRAMME

Sunday 11 February – Sydney

Drinks with Kate Cooper, Global Head of Innovation, Westpac
Dinner with Brian Hartzer, CEO, and other members of the SLT, Westpac

Monday 12 February – Sydney

Media
Briefing meeting with HM Consul General and team
Meeting with Simon Smith, Secretary, NSW Department of Industry
Meeting with PwC Chief Officers and Councillor Jess Scully
Round table with The Committee for Sydney – Crossing the FinTech Bridge: Opportunities for Sydney and London
Media
Lunch with the Australian British Chamber of Commerce
Media
Tour and Discussion with Data61 and the Australian Cybersecurity Growth Centre
Media
Reception hosted by Macquarie Bank

Tuesday 13 February – Sydney

Media
Tour and discussion at Stone and Chalk fintech hub
Meeting with the Australian Stock Exchange, Australian Securities and Investment Commission and the Reserve Bank of Australia
PwC 'Banking Matters' lunch
Business of Trust interviews
Dinner hosted by HM Consul General, focused on institutional investors for infrastructure

Wednesday 14 February – Canberra

Briefing meeting with Deputy High Commissioner
Call on the Treasurer, Rt Hon Scott Morrison MP
Call on the Shadow Treasurer, Hon Chris Bowen MP
Lunch hosted by the Deputy High Commissioner
Meeting with AusTrac's CEO, Nicole Rose and Counsellor Law Enforcement, Mark Bishop

Thursday 15 February – Melbourne

PwC 'Banking Matters' Breakfast
Call on City of Melbourne Councillor, Kevin Louey, and team
Roundtable at York Butter Factory fintech hub
Lunch with the Australian British Chamber of Commerce
Media

Meeting with the Australian Institute of Superannuation Trustees
Meeting with Herbert Smith Freehills Partners
Dinner with Australian institutional investors, hosted by Herbert Smith Freehills

Friday 16 February – Melbourne

Meeting with Department of Environment, Land, Water & Planning, State Government of Victoria
Presentation at Doing Business in Victoria / Doing Business in the UK DIT event
Roundtable and lunch hosted by ANZ Bank
Tour of NAB Labs Innovation Hub, followed by meeting with their Senior Executives
Meeting with The Prince's Trust Australia
Dinner with Melbourne University's Dean of the Business and Economics Faculty

Saturday 17 February – Melbourne

Private Engagements

Sunday 18 February – Auckland

Informal Dinner with the British High Commissioner to New Zealand and HM Consul General

Monday 19 February – Auckland

Media
Briefing meeting with the British High Commissioner and team
Call on the Mayor of Auckland, Phil Goff
Meeting with HRL Morrison and Co Infrastructure Fund Managers
Meeting with Chairman of PwC New Zealand
Lunch with PwC partners and clients
Media
Panel Discussion at the Digital Nations 2030 Conference
Reception hosted by Digital Nations 2030
Dinner hosted by the British High Commissioner for UK policy influencers and businesses

Tuesday 20 February – Auckland

Breakfast with the British New Zealand Business Association
Media
Roundtable discussion with NZ Trade & Enterprise and Government representatives
Lunch with FinTechNZ, hosted by Anthony Harper Law Firm
Meeting with the Sovereign Wealth Fund
Reception with members of London Livery Companies based in New Zealand
Reception and supper hosted by Russell McVeagh

Wednesday 21 February – Auckland

Media
Meeting with The Prince's Trust New Zealand

APPENDIX B

FOLLOW UP ACTIONS

AUSTRALIA

NO.	ACTION	RESPONSIBLE
1	LM to write to the Chancellor of the Exchequer to register the City of London Corporation's support for the Fintech Bridge between the UK and Australia, and to encourage its signing during UK Fintech Week	MH (Fiona Buford)
2	LM to write to the Secretary of State for International Trade with a brief report of the visit and to register the City of London's support of the signing of the Fintech Bridge during UK Fintech Week	MH (Fiona Buford)
3	LM to write to the Australian Treasurer, Rt Hon Scott Morrison MP, reiterating support for the UK-Australian Fintech Bridge and to encourage its signing during UK Fintech Week	MH (Fiona Buford)
4	To send a copy of the report prepared for the Secretary of State for International Trade to HM Treasury	MH (Fiona Buford)
5	To invite Simon Smith (Secretary, NSW Department of Industry) and Ingrid Marsh (Senior Manager – China, NSW Trade and Investment, NSW Department of Industry) to UK Fintech Week, and to put Simon in touch with Lloyds of London Regtech experts	MH (Fiona Buford) EDO (Lucy Parrish)
6	To invite Sally Loane and Julie Coates (Co-Chairs of the Committee for Sydney) to UK Fintech Week	MH (Fiona Buford)
7	To invite Councillor Jess Scully to UK Fintech Week	MH (Fiona Buford)
8	To invite David McCredie (CEO, Australian British Chamber of Commerce) to meet LM when in London in late February	MH (Fiona Buford)
9	To seek an opportunity for Jason Collins (CEO, European Australian Business Council) to meet with LM and/or colleagues at Guildhall when he brings an Australian delegation of business leaders to London on 9-10 July	MH (Fiona Burford) / EDO (Lucy Parrish)
10	To host a dinner for the Australian British Chamber of Commerce fintech delegation on 3 July, together with LM and the business delegation	MH (Fiona Burford) / EDO (Lucy Parrish, Alex Green)
11	To invite Peter Leihn (CEO, Data61) to the Commonwealth Business Forum	MH (Fiona Buford)
12	To engage with the Australian Securities and Investments Commission about the possibility of transferring Australian superannuation funds into the UK	EDO (Lucy Parrish)
13	To invite James Shipton (Chairman, ASIC) to the City Banquet (for regulators) in October 2018 and to the Green Finance event in July 2018	MH (Fiona Burford)
14	To invite Dominic Stevens (CEO, Australian Stock Exchange) to the Green Finance event in July 2018	MH (Fiona Burford)
15	To invite Guy Debelle (Deputy Governor, Reserve Bank of Australia) to the Green Finance event in July 2018	MH (Fiona Burford)
16	To circulate the Business of Trust 'placemat' to attendees at the PwC 'Banking Matters' events in Sydney and Melbourne	MH (Fiona Burford)
17	To invite Andy White (COO, Australian Payments Network) to UK Fintech Week	MH (Fiona Burford)
18	To invite Brendan Carriker & Katrina McKenzie (staff at Melbourne Local Government) to UK Fintech Week	MH (Fiona Burford)

19	To offer to host a roundtable event in May for the Australian Institute of Superannuation Trustees	MH (Fiona Burford)
20	To invite the Department of Environment, Land, Water & Planning to the Green Finance conference in July	MH (Fiona Burford)
21	To invite the NAB Labs executives to UK Fintech Week	MH (Fiona Burford)
22	To investigate whether there are any synergies between the Lord Mayor of Melbourne's Charitable Fund and the Lord Mayor's Appeal	MH (Fiona Burford)
23	To invite Janine Kirk (CEO, Prince's Trust Australia) to meet with LM on her next trip to London	MH (Fiona Burford)
24	To invite Professor Paul Kofman (Dean of the Faculty of Business and Economics, Melbourne University) to UK Fintech Week	MH (Fiona Burford)
25	To host a forward look meeting with the Deputy High Commissioner, Matt Anderson, and the relevant Agents General in September	MH (Fiona Burford) EDO (Lucy Parrish / Alex Green)

NEW ZEALAND

NO.	ACTION	RESPONSIBLE
26	To offer encourage and offer support to HRL Morrison & Co in opening a London office	EDO (Lucy Parrish)
27	To invite Mark Averill (CEO, PwC New Zealand) and Andy Symons (Partner responsible for Innovation, PwC New Zealand) to UK Fintech Week	MH (Fiona Burford)
28	To connect Andy Symons (Partner responsible for Innovation, PwC New Zealand) with Al Lukies to discuss the potential for creating a UK-NZ Fintech Bridge	MH (Fiona Burford)
29	To discuss with Liam Maxwell (National Technology Adviser, HMG) the potential for creating a UK-NZ Fintech Bridge	MH (Fiona Burford) / EDO (Lucy Parrish)
30	To connect Andrew Barnes (Founding Partner of Perpetual Guardian) with Al Lukies to discuss the potential for creating a UK-NZ Fintech Bridge	MH (Fiona Burford)
31	To invite the Director of NZ Trade & Enterprise to UK Fintech Week	MH (Fiona Burford)
32	To connect FinTechNZ, New Zealand Trade and Enterprise, the Department of Internal Affairs, the Financial Markets Authority and the Ministry of Business, Innovation and Employment with Al Lukies to discuss the potential for creating a UK-NZ Fintech Bridge	MH (Fiona Burford)
33	To invite James Brown, General Manager of FinTechNZ to UK Fintech Week	MH (Fiona Burford)
34	To invite Tina Lomax (Principal, Prince's Trust NZ) to meet LM when she's next in London	MH (Fiona Burford)
35	To invite Sir John Kirwan to engage with LM about mental health and wellbeing when he is in London in April 2018	MH (Fiona Burford)

GENERAL

NO.	ACTION	RESPONSIBLE
36	To launch the second research piece with business consultation on a future financial services chapter of an FTA in March 2018	EDO (Lucy Parrish)
37	To hold 121 meetings with members of the business delegation to garner feedback, insight and follow-up actions	EDO (Alex Green)
38	To host an informal 'wash up' dinner with the business delegation to continue building relationships with them	EDO (Alex Green)

