

## SECTOR SPOTLIGHT:

Australia: A Global Platform for Growth

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Over recent years, Australia has shown a great display of global economic domination. Since the country has seen 22 years of uninterrupted growth, Australia remains as the only economy to consistently rank in the world's top five most resilient economies since 2008.



Sean Gregory at PwC considers Australia: an economy in transition. He states: "The performance of the Australian economy has been strongly supported by our resources and energy industries – both are capital intensive enterprises, attractive to inbound investment, especially from Asia, which has seen it outperform other OECD countries in the past few years. As commodity demand moderates, Australia is looking to

innovation, productivity reform and infrastructure to continue its growth."

Growth in Australia through productivity and infrastructure has implications both locally and globally. The support for this platform for growth, directionally, was reflected in the recent PwC CEO survey which found that '83% of Australia's CEOs said the government should make infrastructure improvement its number one priority'. Tony Abbott has declared himself the 'infrastructure' prime minister.

Investment in infrastructure creates strong confidence in the future growth of an economy, in turn improving productivity leading to a stronger economy. With this breadth of potential, infrastructure is an appealing investment option for both local and off-shore capital, offering investment longevity and stability with relatively predictable returns.

In a relatively mature economy like Australia, capital recycling via privatisation of assets is an emerging option to accelerate this much needed investment growth. This is an attractive option in an environment

where it is not feasible to simply look to governments to increase borrowings and the private sector can only accept defined and limited risk. Government needs to build the confidence of investors looking for more investment certainty in tax settings, regulatory policy and infrastructure revenue outcomes. The debate over user-pays needs to continue, amidst political opposition.

Australia also needs to continue to challenge itself in how to become a more attractive destination for capital as its foreign investment review board decisions can appear confusing and, at times, politically motivated.

For global investors into infrastructure there is an attractive growth picture, particularly for sovereign and pension funds as shown by Canadian and the Middle Eastern interest recently. Australia's opportunity is to participate actively through its own superfund investment and relationships with global investors, but also to export technical services, investment capital, and expertise to increase our contribution to the prosperity of the Asian region.



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Allied Business Accountants (Allied) is a boutique accounting and business consultancy firm, aiming to reduce the compliance and accounting burden on business owners and management. It implements best practice business processes, facilitating strategic business improvement and growth.

David McKellar, chartered accountant and director at Allied explains: "Our philosophy is to always make 'doing business' easier for our clients; we do this by partnering with our clients, providing

services and advice, enabling them to concentrate their efforts on their business and not be burdened by governance issues, compliance and red tape. With our international clients, we take this one step further, working with our partner; Business Gateway Australia (BGA)."

BGA offers a turnkey solution to businesses entering Australia, offering access to professionals including legal, accounting, business, marketing, IT and other experts, providing a holistic approach to launching a business in Australia.

Australian business confidence is quite high at the moment and recent figures released by the Australian bureau of statistics show positive trends for economic indicators such as retail turnover, building approvals, housing finance and company profits. There is also anecdotal evidence of increased success in business start-ups.

Mr McKellar explains that there are an unprecedented number of online retailers establishing themselves and succeeding in the Australian market, while there has been a shift away from traditional bricks and mortar retail stores.

There is also a shift away from some of its traditional manufacturing industries, such as car manufacturing, but Mr McKellar believes it will be beneficial for the economy as it refocuses resources to more efficient and profitable industries.

"These changes will, and are being met by innovative and entrepreneurial businesses, while businesses that have positioned themselves correctly will stand to reap the benefits," Mr McKellar adds.

The country's location in the Asia Pacific region gives great access to significant Asian Markets, with a highly skilled and educated work force. Australia is known as one of the easiest countries in the world to setup a business, and with help from Allied Business Accountants and Business Gateway Australia, it has never been easier to launch a new business in Australia.

"Australia is an amazing place, with a growing economy. In addition, its close relationship with and proximity to emerging Asian economies, particularly China, will see Australia prosper well into the future," Mr McKellar concludes positively.



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