

FEATURE

Start Me Up Australia's Business Ecosystem is Thriving

By [Mary Woods](#)

Aside from the beautiful beaches and rugged mountains, Australia is gaining traction as an investment destination.

Amazing beaches, magnificent landscapes and a laid-back, friendly atmosphere — it is easy to understand why Australia is a bucket-list destination for many travelers. Four of its major metropolitan areas — Melbourne, Adelaide, Sydney and Perth — ranked in the top 10 most-livable cities in The Economist's [2013 Global Livability Ranking and Report](#).



Rohan Workman

Not only is the country rated one of the world's most fascinating and beautiful places to live, Australia is gaining steam among entrepreneurs as a great place to do business.

"The Australian startup ecosystem is definitely heating up," says Rohan Workman, manager of the [Melbourne Accelerator Program at the University of Melbourne](#). "There are increasing numbers of entrepreneurs, accelerator programs and investment resources, and we're starting to see a substantial increase in participation from industry and government."

Australia is one of the only countries to avoid a recession in 22 years, according to the [Organisation for Economic Co-operation and Development](#), while its startup ecosystem has grown significantly during the past two years. [Startup Genome Report](#) rated Melbourne and Sydney in the top three startup ecosystems in the Asia-Pacific region and both are among the top 20 globally.

"Even though Australia has a relatively small population of 23 million people, it is strategically in one of the best geographic locations in the world and is a bastion of Western civilization," says native Australian [Drew Abercrombie](#) (WPO Melbourne), who left the law and an international MBA in Switzerland in the early 1990s to return home and begin what he calls his "YPO business," [Flexigroup Limited](#). "Australia is one of the older continuous democracies, providing the fundamentals of liberty and rule of law, and we have some amazing natural resources all of which makes for a great place to do business."

A strong track record

With an economy benefitting from sound fundamentals, including monetary stability, low public debt and an efficient regulatory environment, Australia has weathered global economic uncertainty over the past five years says Anthony Kim, senior policy analyst for Economic Freedom and Opportunity at [The Heritage Foundation](#).

"Openness to global trade and investment is firmly supported by an efficient entrepreneurial framework and a well-functioning independent judiciary," explains Kim. "More specifically, a transparent and stable business climate makes Australia one of the world's attractive investment destinations."

Teck Leng Tan, foreign exchange analyst in the UBS Chief Investment Office in Singapore, points out that capitalizing on its proximity to the emerging Asian markets, Australia is positioned for economic growth with its strong trade links, strategic location and highly educated, multilingual workforce. Low corruption levels and no currency or capital flow restrictions are additional qualities valued within the Asia-Pacific region.

Tan also acknowledges Australian Prime Minister Tony Abbott whose comprehensive and ongoing financial and legal reforms have bolstered the nation's recent economic growth. "The recently announced Australian budget can be used as an approach to determine areas of opportunities for businesses, especially for entrepreneurs. Over the next four to five years, the government is proposing to spend more on infrastructure — AUD\$11.6 billion," Tan says. "Therefore, the businesses supporting the construction and infrastructure industry remain the more rosy sectors to invest in during the coming years."



Teck Leng Tan

Encouraging innovation

A significant advantage for entrepreneurs in Australia is the relative ease in working with the government. According to a January 2014 study by The Heritage Foundation, processes for starting and operating Australian businesses are efficient and subject to little bureaucracy. It takes 2.5 days of red tape to start a business in Australia, compared to five days in the United States and 12 days in Great Britain.

And once launched, a well-regulated and transparent commercial environment makes "the ability to operate a business across Australia really easy," explains Abercrombie. "We have six states that work harmoniously together with mostly standardized laws making it much easier for business owners to branch out." State governments, particularly in Victoria and Melbourne, provide a large amount of support to entrepreneurs, adds the University of Melbourne's Workman.



Drew Abercrombie
(WPO Melbourne)

Businesses also benefit from the country's sophisticated financial sector that provides access to one of the world's largest pools of investment funds.

The future looks bright

Although chief executive confidence in Australia has fallen during the past two quarters, the April YPO [Global Pulse Survey](#) points to an optimistic sentiment for 2014. Confidence declined 2.9 percentage points to 58.8 in the three months leading into March, after hitting a high of 62.6 last October. The YPO [Global Pulse Confidence Index](#) is based on a survey of 22,000 YPO and WPO members and tracks confidence against a neutral baseline of 50.

"It's fair to say there is some post-election gloss coming off, as you'd expect, but the dip in confidence isn't significant, really, considering overall the sentiment is still optimistic," says [Tudor Marsden-Huggins](#) (YPO Queensland), managing director of Employment Office Australia. "The fact that the Aussie dollar looks like it isn't going to hold up long into the future and people are becoming accustomed to the fact it's gradually on its way down are key to that spike."

Despite the recent increase in the Australian dollar trading between US93¢ and US95¢, "the currency is on the road back to parity," says Abercrombie. "Australia is historically a relatively inexpensive place to live." Sustaining a robust and diverse economy, Australia has consistently ranked within the world's top five most resilient economies since 2008 with growth underpinned by strong trade ties with Asia, Europe and the Americas, and it has a "triple-A" credit rating. Real gross domestic product growth is projected to outperform every major advanced economy up to 2018 according to the [Australian Trade Commission](#).

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"Equally notable, the financial/banking system has remained stable, and prudent regulations have allowed banks to withstand the global financial turmoil with little disruption," notes Kim.



Anthony Kim

While the sixth largest country on the planet offers thrill-seeking travelers a medley of mountains, deserts, reefs, beaches and melting-pot cities to explore, the business landscape is proving just as ripe with opportunities for new-venture seekers. Openness to global trade, a strong and resilient economy, and investment firmly supported by an efficient entrepreneurial framework all make Australia appealing for investors seeking a profitable and growing market. Add one more item to your bucket list: After snorkeling the Great Barrier Reef, connect with investors about a start-up venture. And as Workman points out, "the great food, beaches and high standard of living" makes the deal even sweeter.

Melbourne — The Place to Be in March 2015

In March 2015, YPO and WPO members from around the globe will connect in Melbourne. First 2015-2016 chapter, regional and network officers will meet at the [Global Leadership Conference](#), 23-25 March. This annual gathering of YPO-WPO's champions offers peer-to-peer officer education and networking to prepare these officers for their new roles.

All members and their spouse or partner are invited to YPO-WPO's biggest event of the year, the [Global EDGE](#), 25-27 March. The EDGE connects members to thought leaders in the fields of science and technology, business, the arts, medicine, health and sports to engage with new ideas and alternative perspectives. You do not need to be an officer to register for the EDGE.

"Both of these events will provide the perfect opportunity to connect and network with Australian members and explore the many exciting business opportunities in the region," says Abercrombie.

[Get a seat at the 2015 Global EDGE](#)
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