



17 DEC, 2020

## 'Look to California' to invest in post-pandemic economy

Australian Financial Review, Australia

Page 1 of 2

# 'Look to California' to invest in post-pandemic economy

**Jacob Greber**

AFR correspondent

Businesses, entrepreneurs and skilled workers could be on the cusp of a post-COVID-19 "Cambrian" explosion in new tech-related opportunities if Australia can boost its trade links to the US west coast, according to a new report.

With growing doubts about China's dependability as an importer, the American Chamber of Commerce (AmCham) in Australia, in a report to be released today, urges companies selling and developing new products across mining, manufacturing, agriculture, finance and healthcare to focus on the US, chiefly California and the San Francisco Bay Area.

While foreign investors recognise Australia's strength in resources, few understand its growing depth in tech innovation, which has already cemented close links between local entrepreneurs and firms and Silicon Valley, says Bill Ruh, chief executive of digital at Lendlease and a former General Electric executive.

"There's a real capability that most people are not aware of," Mr Ruh said of Australia's tech scene.

"The ties between the tech community and the Bay Area are extraordinarily strong. I think Australia has a real diamond in the rough here that I think the report brings out."

Australia's search for new markets and opportunities is being driven by the twin challenges of the global pandemic and the country's fast-deteriorating relationship with China.

Trade Minister Simon Birmingham yesterday said Australia's biggest trading partner had a "heightened risk profile" for businesses around the world.

The trans-Pacific investment report's release comes just a day after Brisbane-based medical firm Ellume won US Federal Drug Administration approval for a ground-breaking home test for COVID-19.

Highlighting ties with the US west coast back to the mid-1800s gold rush – and the way California's landscape

prodded Australian miners into exploring their own backyards – the report underscores the vast scope of existing trans-Pacific investment and co-operation.

California exports more to Australia than any other American state, with shipments of goods and delivery of services last year estimated at nearly \$US4 billion (\$5.3 billion).

Australia, in turn, is the 14th-largest exporter into California.

April Palmerlee, chief executive of AmCham Australia, said she hoped the report would inspire business leaders and governments to tighten links between Australia and the Bay Area.

"US investors see Australia as a market with considerable upside potential in terms of future population growth, a world-class education system, IP protections and rule of law," she said.

"As the world economy emerges from a COVID-induced contraction, innovation is particularly vital to driv-

ing economic growth and development. "US and Australian industries and investors need one another more than ever right now."

Mr Ruh, who is helping oversee Lendlease's 15-year, \$US15 billion agreement signed last year with Google to build more than 15,000 homes in an affordable housing project on Silicon Valley land owned by the tech giant, believes the COVID-19 rebound will echo previous post-crisis eras.

The 2001 tech-bubble crash and the 2008-09 global financial crisis both led to a surge in technology investment.

"Almost all the best technology companies actually came out during those downturns and the reason why is that people innovate and they think about what's next," Mr Ruh said.

The same dynamic was under way now, he said, pointing to growing Australian investment in property market technology and quantum computing – both sectors he regards Australia as "punching above its weight".

"Coming out of this downturn – which is a healthcare downturn versus

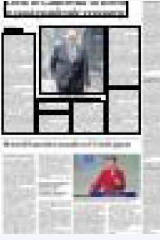
a tech downturn or an economic downturn – I think what we're actually going to see is a Cambrian explosion of technology firms that are going to use machine learning and AI to really recreate their industries," Mr Ruh said.

"I think that we will look back at this period in time as one that opened the door for people to get more comfortable with technology and for new technology companies to come out.

"And if you look at machine learning, it essentially allows for an automation that creates deflation in every industry that's applying it.

"So that's actually going to be very good, I believe, to control inflation.

"And what that means is that economies can grow without that fear of inflation occurring."



17 DEC, 2020

## 'Look to California' to invest in post-pandemic economy

Australian Financial Review, Australia



"Opportunities in US": Lendlease's CEO of digital Bill Ruh. PHOTO: LOUIE DOUVIS