

THE ROTATOR

Official Newsletter of The ABSC Incorporated



August, 2019

Editor - Dr Frank Alafaci

Co-editor - Mrs Sylvia Alafaci



EDITORIAL

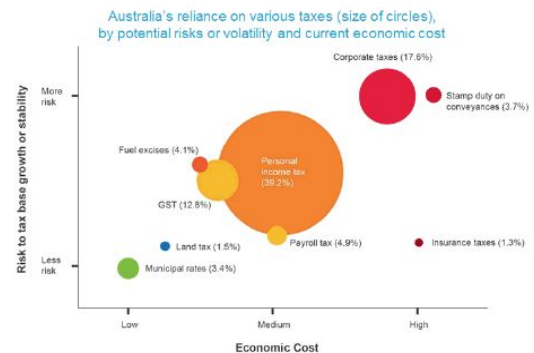
Welcome to the sixth edition of the ABSC Inc. Newsletter.

capital and extricate businesses from the overbearing financial burdens inflicted on them by indirect taxation measures in order to enhance the Australian economy's international competitiveness.

The current taxation system in Australia serves as a barrier to the nation's per capita economic growth, inhibiting our business inputs, export trade and international competitiveness. As an imperfect revenue raising means, it imposes unfair compliance costs, amounts payable uncertainties and enormous strains on business cash flow at critical stages in investment. Its inherent design characteristics undermine the export and import competing sectors through added business expenses (payroll, tax, capital gains tax and taxation on fuel) that detract from our adroitness to compete with other countries for trade and investment.

Our excessive business taxation regime leads to adverse consequences for private sector initiatives, domestic savings and employment as well as lowering aggregate supply with the risk of higher inflation. Micro / macroeconomic reforms must seek to ameliorate Australia's taxation framework to ensure that corporate taxes are more conducive to investment and exports to address the slow depreciation of

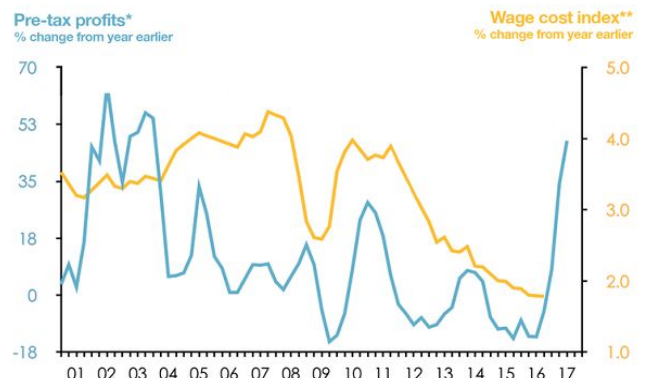
Australia currently relies on taxes that have high economic costs and with risks to growth



Source: ABS, Taxation revenue 2013-14 for data on the share of tax revenue for each source. Note: Percentages do not sum to 100 per cent because some taxes have been excluded from this chart (e.g. tariffs, motor vehicle taxes, gambling taxes). The ABS captures income tax paid by superannuation funds in 'Corporate taxes' and fringe benefits tax and Medicare levy in 'Personal income tax'.

Pre-tax company profits and wages

In Australia, excluding bank, insurance, education, training, healthcare and social assistance sector profits



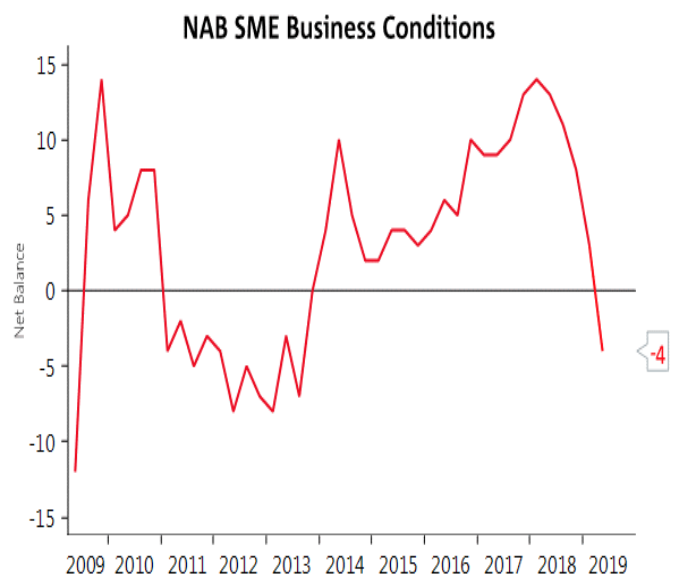
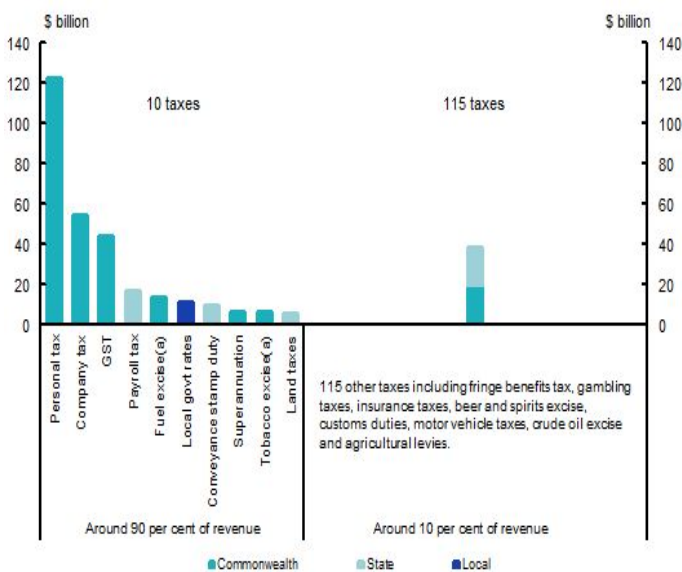
Source: ABS business indicator and wage price index

*Pre-tax profits on 4 quarter moving average.

**Wage cost index is lagged 3 quarters.

Most fundamental is that our political leaders need to streamline the current taxation system to recognise its inequities for business that are harmful to long-term economic progress, simplifying its intricate, burdensome indirect levy policies and assessment processes and overhauling the disincentives embodied in non-deductible or non-amortized liabilities across project and investment ventures. Under suitable revamped taxation mechanisms, much exorbitant indirect taxation and overzealous business / anti-investment regulations would have to yield to increased tax concessions to domestic producers and exporting businesses which will encourage Australian businesses to augment production levels and search out international markets.

preferences. Unlike large businesses that draw advantages from stable economic climates when industries experience modest change, SMEs are boosted in periods of rapid economic progress, with quick adjustments to evolving market conditions as well as maintaining singular creative impulses unencumbered by bureaucratic obstacles.



Source: National Australia Bank

Dr Frank Alafaci
President, ABSC Inc.

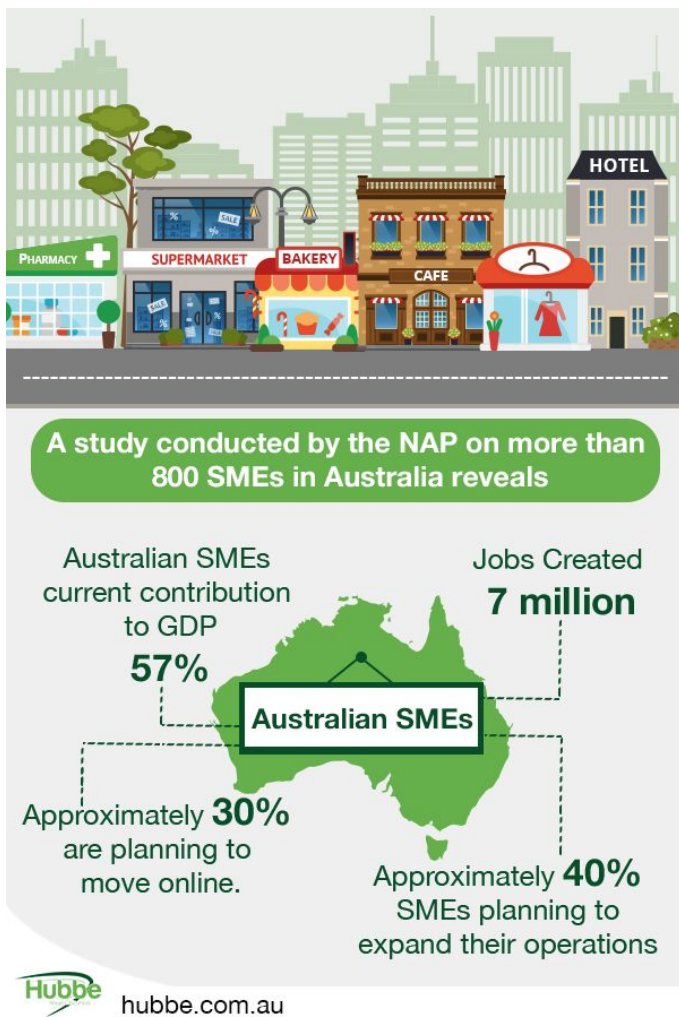
SMEs and Export Markets

The innovation and entrepreneurship of SMEs are principal contributors to the Australian economy. SMEs have an innate adeptness to create value in products and emergent trends, and to identify specific market needs and

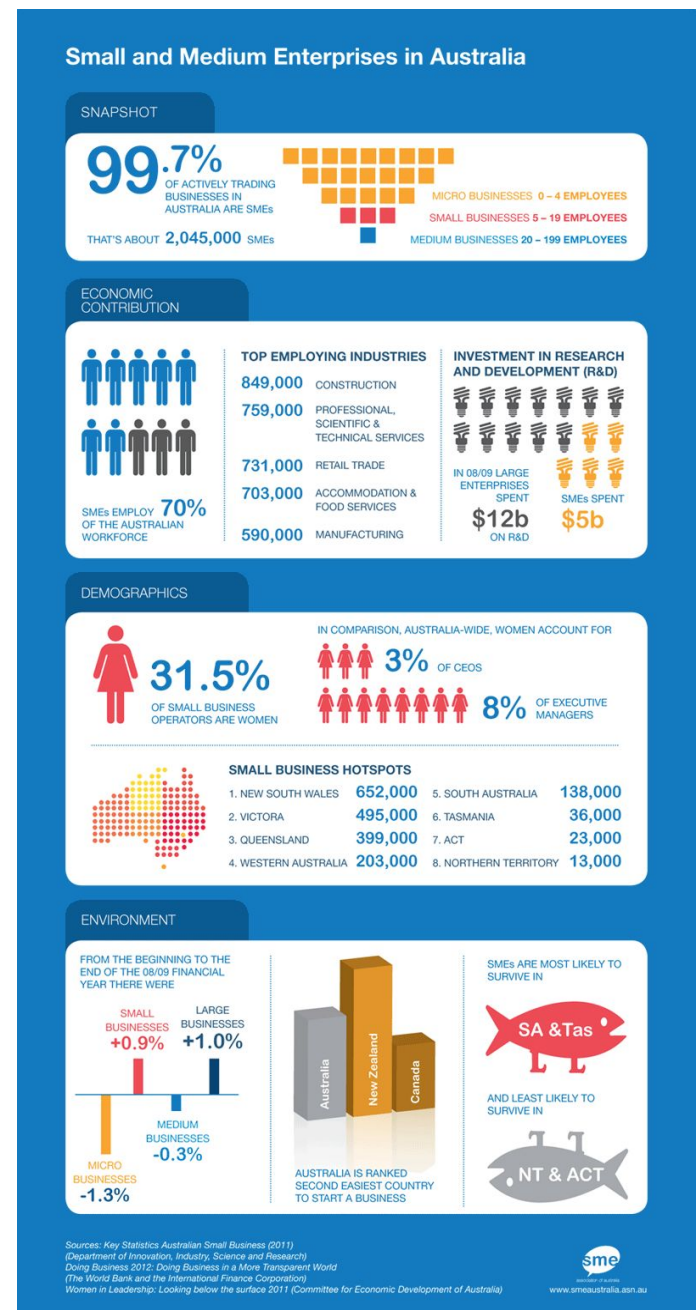
SMEs comprise a major source of employment growth, dominating local industries that are projected to increase markedly in output – IT data processing services, social and legal services, and health and residential care (including nursing and personal services). Big openings for specialised SMEs also lie in outsourcing to consortiums with sufficient stature to procure large-scale contracts in overseas markets. Health care technology reflects an important growth area for exports in developing Asian markets with lower trade barriers and more affordable communications networks. New lucrative capabilities stem, too, from exporting advanced software found in SMEs to South East Asian countries that prioritise the information technology sector.

Advanced knowledge aimed at restoring or protecting against the destructive impact of industrialisation in these economies presents substantial new possibilities for SMEs with cutting-edge ideas and management expertise.

increase production lifecycles in cost-efficient ways in order to overcome seasonal lapses and currency fluctuations in the stagnant domestic economy.



Export-ready SMEs offer niche products or services that appeal to the Australian market, which makes such businesses competitive in additional expansion. Hence, such innovative SMEs are well-placed to mobilise resources and augment production levels so as to respond to unprecedented transnational market scenarios where the manufacturing facilities and distribution outlets are located in close proximity to targeted economic environments for profits not to be at risk. Indeed, top-notch small and medium-sized export enterprises could also reduce operating overheads and



While export markets are indispensable for continuous economic growth, not all SMEs possess sufficient means to break into those environments. Admittedly, new SMEs that wish to expand overseas will be unable to establish a firm beachhead without suitable infrastructure that brings high quality products and services to

different market environments. To adequately identify, prepare for and develop potential export market capabilities, it is incumbent upon our governments to embrace wide-ranging resource-intensive measures which facilitate information flow-on, uptakes, management practices and state-of-the-art technologies to small and medium-sized enterprises to enable them to maximise business opportunities in extraterritorial markets.

ABSC Inc. at POANSW Property Market Seminar

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) were among more than fifty VIPs and guests at the seminar and networking event: “My Property Portfolio – Dealing with Inheritance, Estates and Taxes”, hosted by the Property Owners Association of New South Wales in Balmain, NSW on 7th August 2019.

POANSW president, Mr John Gilmovich, welcomed three property management experts to address the audience about the nature and power of trusts, sound financial planning, and legislative policies affecting private landlords and small to medium-sized enterprises which provide residential accommodation to the New South Wales market – including boarding houses, hostels, and residential portfolios.



THE PROPERTY OWNERS' ASSOCIATION OF NSW PRESENTS
**MY PROPERTY PORTFOLIO:
 DEALING WITH INHERITANCE, ESTATES AND TAXES**

SEMINAR AND NETWORKING NIGHT FOR LANDLORDS, PROPERTY INVESTORS AND PROPERTY SERVICES PROFESSIONALS

**WEDNESDAY
 7TH AUGUST 2019
 6:30PM — 8:30PM**

THE BALMAIN BOWLING CLUB
 156 DARLING ST
 BALMAIN NSW 2041
balmainbowls.com.au

HOSTED BY:
 **JOHN GILMOVICH**
 PRESIDENT,
 POANSW

COST: \$35 (MEMBERS)
 \$55 (NON-MEMBERS)
 TICKETS INCLUDE DRINKS AND FINGER FOOD

PURCHASE TICKETS:
poansw.com.au/events-and-seminars

Join us for a panel of experts who will discuss estate planning and how to protect the ones you care for the most. Come along and learn the importance of having a Will, you will also gain an understanding of the power of trusts, sound financial planning and tax implications for you and your loved ones.

GUEST SPEAKERS & TOPICS

 **IRON COVE LAW**
MARIA DI GIOVANNI
 SOLICITOR & NOTARY PUBLIC
 Topic: Death and Your Property - What happens to your property when you die? Everything you need to know about effective Estate Planning.

 **MOORE STEPHENS**
GRANT HELM
 SENIOR FINANCIAL PLANNER
 Topic: Transitioning and protecting your wealth during succession.

 **RSM**
KIAN GHAHRAMANI
 PRINCIPAL - RSM AUSTRALIA, SYDNEY BRANCH
 Topic: Property tax implications pitfalls you need to be aware of.

Iron Cove Law firm solicitor and public notary, Ms Maria Di Giovanni spoke at length on the topic of what happens to one’s property after death, offering salient insights into effective estate planning so as to avoid hidden and unexpected bureaucratic pitfalls. Similarly, Mr Grant Helm (Senior Financial Planner, Moore Stephens) delivered a powerpoint presentation with informative suggestions pertaining to the appropriate steps to undertake in transitioning and protecting your wealth during succession on the back of higher taxes and other onerous levies (such as land tax and stamp duty) which have had overwhelming negative effects on investment in property. Interestingly, RSM Australia Sydney Branch principal, Mr Kian Ghahramani, provided an exhaustive survey of taxation implications that individual landlords as well as property investors and property services

THANKS TO OUR AFFILIATE SPONSORS:



professionals need to understand in order to manage rental property and keep abreast with the ever changing property market regulatory environment.

ABSC Inc. and the Official Afghan-Australian Diplomatic Relations Reception

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) attended (as VIP guests) the Official Reception to commemorate the 100th anniversary of the reclamation of the Islamic Republic of Afghanistan's independence / 50th anniversary of Afghan-Australian diplomatic relations at New South Wales Parliament House in Sydney on 19th August 2019.



Over two hundred people, with embassy and consular staff / dignitaries joined together on this unforgettable occasion, featuring eloquent congratulatory remarks from His Excellency Ambassador Extraordinary and Plenipotentiary of Afghanistan Mr Walludallah Waissi and other distinguished representatives, including the Hon. Mr John Sidoti MP, NSW Minister for Sport, Multiculturalism, Seniors and Veterans.

Ambassador Waissi commended the prime achievements of Afghan-Australians towards building multiculturalism in Australia and the long-standing friendship between our nation

and Afghanistan with reference to military cooperation, socio-economic development and people-to-people exchanges. His Excellency also recognised seminal moments in the Afghan-Australian relationship, especially the bilateral commitment to collaborate with each other to address international threats (terrorism, narcotics, people smuggling and organized crime), enhance Afghan-Australian trade and investment, and increase mutual support in relation to humanitarian issues and cultural relationships.



As His Excellency acknowledged, Australia has provided over AUD \$1 billion in economic assistance since the previous two decades. Australia's aid package program to Afghanistan draws in large measure on the Comprehensive Long-Term Partnership Agreement signed in 2012 as well as the special MOU for the Australia-Afghanistan Development Partnership (2017-2020), enshrining the bilateral agreement of the governments of both countries to achieve notable outcomes for effective and accountable governance and security in Afghanistan.

H. E. Ambassador Waissi also emphasized our government's commitment to provide an additional AUD \$82.1 million in overseas development for promoting a stable and self-reliant Afghanistan so as to bolster the sustainable management of the nation's economic infrastructure with dry land farming, water management, mining and administrative training for its civil servants. His Excellency likewise commented on the recent deployment of two hundred and seventy Australian Defence Force personnel to support the NATO-led resolute sustainment mission in Afghanistan in order to bolster the country's resilience to international terrorism and extremism.



Indeed, Afghanistan has reasserted its firm commitment to strengthen its collaboration with Australia to increase economic, military and technology relationships between the two countries. Partnering with the private sector, Afghanistan has enacted more than twenty pro-business legislative measures on customs reform, trade facilitation, intellectual property rights and food safety standards, signaling to Australia (and the international community) that

the country is dedicated to establishing a predictable, cost-efficient trade and investment environment. Subject to its own customs laws, the government of Afghanistan is offering duty-free and quota-free facilitation for all products and services originating in the country in so far as the Australian authorities apply equal treatment for Afghanistan as a "least developed country" (LDC). In a similar manner, Australia is providing technological knowledge and management expertise to Afghanistan's agricultural and manufacturing industries to support the production of products and services that meet Australian standards.

More broadly, Afghanistan is permitting one hundred percent foreign ownership of resources as well as easy repatriation of profits and assessments of international investors similar to domestic investors. Foreign businesses are accorded the opportunity to lease real estate for periods of up to ninety years for arable land or longer for land that is non-arable. HCI (Afghan High Commission for Investment) and its subsidiaries known as the Afghanistan Investment Support Agency (AISA) and the Technical Commission of National and Foreign Private Investment in Afghanistan are entrusted with providing special licenses and administering the registration of FDI ventures for extraterritorial companies operating in Afghanistan.

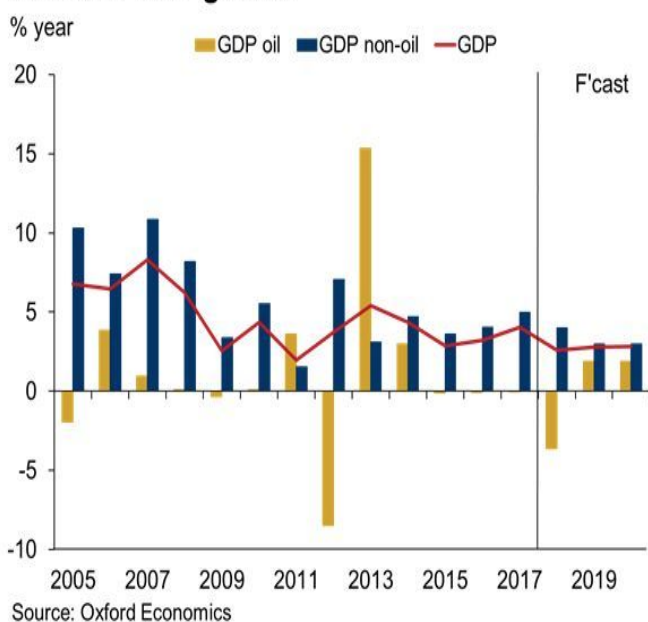
On the whole, Afghanistan constitutes an attractive trade and investment destination. Major infrastructure reforms and foreign donor assistance are boosting the nation's domestic production and concomitant economic growth. Inflation is comparatively low with public finance management undergoing healthy progress. Macroeconomic stability, debt reduction and a balanced budget are contributing to significant advances in social development objectives, including so-called Millennium Development

Goals (MDGs) and Sustainable Development Goals (SDGs). Pursuant to free market principles, Afghanistan has likewise become the newest member (164th) of the World Trade Organisation, which underscores the Islamic Republic's government support for private investment initiatives under its new constitution in accordance with a marked transition from an inflexible, centrally planned economy to an open and deregulated economic environment.

ABSC Inc., EDB and Investing in Bahrain

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) convened with Dr Simon Galpin, Managing Director of the Bahrain Economic Development Board (as well as two of his colleagues) and twenty eminent Australian CEOs at an exclusive luncheon sponsored by the Australian Arab Chamber of Commerce and Industry (NSW Division) at Minter Ellison, Farrer Place, in Sydney on 22nd August 2019.

Bahrain: GDP growth

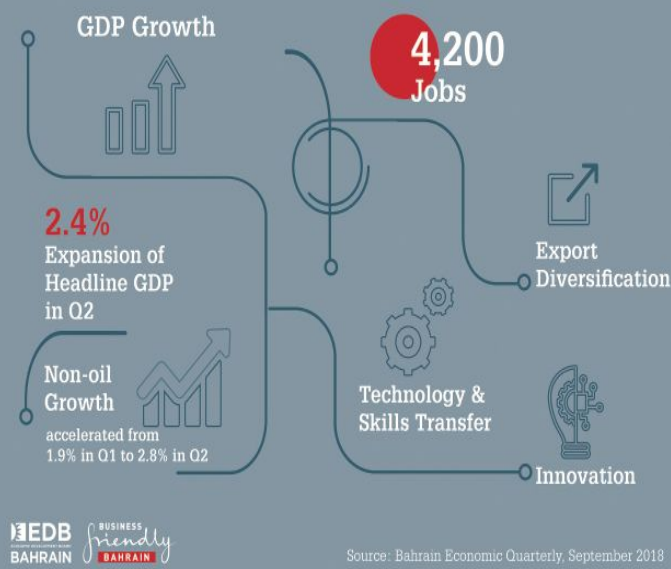


EDB represents a public agency chaired by His Royal Highness the Crown Prince to attract foreign direct investment into Bahrain with its ideal business location, efficient financial services infrastructure and mature logistics network across the Middle East. As an advanced catalyst for economic reform and digital transformation, the Board focuses on manufacturing, information technology (IT), and transport services, including the banking industry and principal sub-sectors such as Islamic finance, wealth management, asset management and insurance.

FDI To Drive Growth and Employment

The aggregate value of the investment projects supported by the Bahrain Economic Development Board more than doubled (+137%) YoY during the first three quarters of the year. FDI has the potential to bring more growth to the economy, and generates opportunities for both the private sector and individuals through job creation.

76 New Companies in Bahrain with USD 810MN in Investment Capital



Dr Galpin addressed the VIPs and guests about the investment possibilities in Bahrain as a business-friendly, competitive hub with facile access to the US \$1.6 billion Gulf market. Indeed, its compact, well-diversified financial platform provides immense opportunities in a cost-effective economic environment on the strength of an incisive proven track record of innovation, skilled talent and optimum quality of

life. As such, Bahrain is ranked as the number one country to live and work in the Middle East and North African region (MENA), outstripping its rival markets in terms of digital technologies, investment freedom, jobs created (per one million in population), human capital, education, and labor market flexibility. Moreover, Bahrain's non-oil productive sectors account for more than eighty percent of the kingdom's GDP, which includes no "free zone" restrictions or corporate taxes, no personal income taxes, no wealth taxes, and no taxes on capital gains, as well as one hundred percent foreign ownership of resources allowed in most industries.

funneled into its economy to modernize its infrastructure networks that include (i) the International Airport by enhancing passenger capacity from eight million to fourteen million people per year and its cargo handling dimensions via an increase in aggregate volume to one million metric tonnes per annum; (ii) the Aluminium Alba Line 6 Development, which is set to become the largest single-site smelter in the world, including the ancillary expansion of the BAPCO Oil Refinery; and (iii) the Diyar Al Real Estate Development with residential, retail, offices, education, health care, commercial and services plots on the kingdom's north-eastern coastline.



Bahrain's lucrative market attracts numerous opportunities in physical infrastructure, soft infrastructure, and information / communication technologies. Over the course of the next five years, US \$32 billion in investment will be

Building an unbridled dynamic environment for promoting startups and other enterprises, Bahrain's investment-driven economy features numerous amenable legislative policies which lower minimum capital requirements, provide higher variability and encompass additional protections for minority investors. Aftercare, or continuous support for business development and expansion, comprises regulatory measures strengthening consumer safeguards, including UNCITAL model law provisions to increment, encourage and facilitate trade and foreign direct investment through Fintech, Block-Chain and e-commerce.

Spotlight on Alliance Project Group

Alliance Project Group, one of the ABSC Inc.'s corporate members, publicly announced its latest milestone achievement on 1st September 2019 in Homebush, NSW, with the construction firm's admission to the New South Wales government's elite Contractor Prequalification Scheme for Construction and Related Works valued at AUD \$10 million and over.



As per this acknowledgement, APG has been able to demonstrate an efficient business structure, financial capability, well-maintained management systems, as well as a steady supply of resources, enviable experience and outstanding performance underpinned by multiple testimonials from the organisation's clientele.



Unsurprisingly, Alliance Project Group also obtained an impressive property development project dubbed The Collection, in Rouse Hill, NSW on 3rd September 2019 – an architectural work-of-art boasting three hundred and eleven residences, commercial units and civil works, all contained within a sequence of low-rise buildings which provide an intimate feel to the development, whilst maintaining an exceptional sense of luxury and modernity.





Contact Us

Address :

Suite 908, Level 9/250 Pitt St Sydney NSW 2000 Australia

Phone :

+61 2 80035053

Email :

secretary@absc.online

Website :

www.absc.online