

Federal Labor's plan to deliver growth through Entrepreneurship and Innovation

May 2014

The Federal Parliamentary Labor Party is conducting a general review of its policies following the 2013 election. On 4 December 2013 at a speech to the National Press Club of Australia, Shadow Treasurer the Hon. Chris Bowen MP outlined four economic policy priorities for the Australian Labor Party in the 44th Parliament: productivity, economic engagement in the South East Asian region, housing affordability and small business.

On 20 May 2014 in his Budget Reply Address to the National Press Club, Mr Bowen built on these policies, announcing ideas that Labor is interested in pursuing in order to encourage growth and innovation and create high tech jobs. These ideas include legislative changes to enable crowd-sourced funding, and the establishment of an entrepreneur's visa.

Mr Bowen's address followed the Budget Reply delivered by Opposition Leader the Hon Bill Shorten MP on Thursday 15 May 2014.

The Hawker Britton Occasional Paper on Labor's Economic Policy priorities is available [here](#).

The Hawker Britton Occasional Paper on Opposition Leader Shorten's Budget Reply is available [here](#).

The 2014–15 Federal Budget

In his address, Mr Bowen argued that the best way to return the Federal Budget to surplus is economic growth through high tech jobs, innovation, science and entrepreneurship. Mr Bowen expressed concern of the impacts of the Government's budget cuts on innovation and entrepreneurship.

He noted cuts to research and innovation, including:

- a \$620 million cut to the Research & Development Tax Credit;
- a funding cut of \$111 million to the CSIRO; and
- the abolition of organisations that encourage innovation and growth including Commercialisation Australia, Enterprise Solutions, the Innovation Investment Fund, Industry Innovation Councils, Enterprise Connect and Industry Innovation Precincts.

Crowd-Sourced Funding

Mr Bowen announced that Labor would be pursuing policies to encourage crowd-sourced funding in Australia.

Mr Bowen noted that crowd-sourced funding is estimated to generate \$65 billion in funding globally and generate 270 000 jobs. However, the application of this funding mechanism in Australia is complicated by the Australian Securities & Investments Commission's classification of crowd-sourced funding as a 'financial services undertaking', which requires a licence.

Mr Bowen announced that Shadow Parliamentary Secretary to the Shadow Treasurer the Hon Ed Husic MP will coordinate Labor's response to this policy challenge. Mr Husic will consult with the finance sector on potential legislative remedies to provide the regulatory framework for crowd-sourced funding, and will examine options for Labor to put forward in either Government or Opposition in the absence of action from the Coalition Government.

Entrepreneur's Visa

Mr Bowen also announced that Labor will be pursuing policies that not only encourage Australians to start innovative companies domestically, but also policies to attract entrepreneurs from overseas to create jobs in Australia.

The former Labor government established a 'Significant Investors Visa' aimed at attracting individuals with access to significant capital to Australia. Mr Bowen announced that Labor is considering a broader model which can attract entrepreneurs with ideas who may not yet have access to capital—similar to the specific entrepreneur visas introduced by New Zealand, Ireland, Singapore and the UK.

Mr Bowen, along with Shadow Minister for Immigration and Border Protection the Hon Richard Marles MP, will be pursuing this policy measure in consultation with the venture capital sector.

Further policies

Mr Bowen also signalled other policy areas that Labor will be examining over the coming months to encourage innovation. These include incubators, employee share schemes, skills development and high-tech scholarships.

Shadow Parliamentary Secretary to the Shadow Treasurer Ed Husic will be consulting with the high-tech sector about policy details in these areas, in conjunction with Shadow Minister for Research, Innovation and Industry and Shadow Minister Assisting the Leader for Science Senator the Hon Kim Carr and Shadow Minister for Communications the Hon Jason Clare MP.