



Hawker Britton

Government Relations Strategy

Labor's Innovation and Education Economy Policy

September 2015

On the 24th of September Labor announced its fully costed plan to invest in the creation of an innovation and education economy.

The plan indicates that a Shorten Labor Government will invest \$17.8 million in reforms that aim to drive a new generation of innovators. Labor estimates that Australia will need another 100,000 ICT workers in Australia by 2020.

The plan has five key elements that are outlined below.

Bill Shorten MP's Media Release announcing the policy is available [here](#).

More information on the policy is available on the Future Smart Australia website available [here](#).

National Digital Workforce Plan

The National Digital Workforce Plan aims to create a larger workforce available to support startups. The key priorities of this plan will include:

- Strengthening the flow of entrants into the workforce who intend to develop ICT skills and seek opportunities within the digital economy;
- Improving the quality of ICT teaching in schools, vocational and tertiary education arenas;
- Strengthening the quality and suitability of tertiary graduates for entry-level positions;
- Addressing the low levels of representation by female and mature-aged workers within the broader ICT workforce population;
- Lifting the functional knowledge of ICT within traditional industries and existing companies; and
- Boosting the digital skills within small to medium sized enterprises.

Startup year

Each year 2000 startup loans will be offered to students and new graduates that want to establish a startup within a university-based (or similar) accelerator. The loan will cover the cost of the support provided to them by an accredited accelerator program and accredited non-award programs and initiatives, up to the maximum annual student contribution level under the HECS system.

To be eligible for support students must be participating in an accredited program that will help them through mentoring and professional development as well as offering potential access to additional capital and investors to support successful business ideas.

New visas for early-stage entrepreneurs

Startup Entrepreneurial Visa

The Startup Entrepreneurial Visa will be provided annually to 2,000 global entrepreneurs looking to establish themselves in Australia. This visa will be provided to applicants with proven access to capital (around \$200,000) that they will invest in a startup venture in Australia (though less if funding has been provided by a venture capital firm registered with the Australian Private Equity and Venture Capital Association Limited or by startup accelerators and incubators). This visa category will run for a maximum of 3 years, though visas may be extended for another year or converted to permanent residence after 2 years if all eligibility requirements are met.



Graduate Startup Entrepreneurial Visa

This visa will be provided annually to 2,000 university graduates who have a credible startup business idea. Graduates will be allowed to stay in Australia for 1 year to establish a startup business after graduation. Graduates can apply to extend this visa for a second year provided they have a new endorsement letter from their higher education institution confirming they have made satisfactory progress in developing their business. There will be no upfront funding requirement for this visa.

Innovation Investment Partnership

Labor aims to establish an Innovation Investment Partnership, bringing together venture capital, superannuation fund and startup stakeholders – designed to identify and overcome barriers to investment in Australian-based venture capital funds.

It will also explore opportunities to develop mechanisms that encourage the superannuation sector to invest in and support Australian venture capital, as occurs in almost every other developed economy in the world.

Getting startups and SMEs solving government problems

Challenge Platforms

Labor will trial an ‘AusGov Challenge Platform’. This platform will provide a single portal for government agencies to submit challenges for the public to respond to.

The trial will initially engage a group of ten to twelve agencies that are seeking to identify new approaches to utilising data, technology and analytics to solve their policy and management challenges.

These projects will be managed through a centralised online platform, with agencies setting reward funding or prizes on the basis of the expected return to government from solving the problem.

Supporting startups and Small and Medium Enterprises (SME) to compete in government tenders

Labor will encourage Commonwealth agencies to engage in and support pre-commercial collaboration with SMEs and startups to aid them in procurement tenders. This policy aims to level the playing field for innovative Australian businesses that otherwise struggle to compete in government procurement.

Financial Implications

The Budget impact of this package of measures is \$15.5 million over the forward estimates.

BUDGET IMPACT (UCB)	2015–16	2016–17	2017–18	2018–19	FE Total
National Digital Workforce Plan	-	-	-	-	0.0
Startup year	-	-0.6	-1.6	-2.4	-4.6
New visas for early-stage entrepreneurs	-	-	-0.2	-3.0	-3.2
Innovation Investment Partnerships	-	-	-	-	0.0
Getting start-ups and SMEs solving government problems	-	-	-7.5	-2.5	-10.0
Budget impact	0	-0.6	-9.3	-7.9	-17.8

Table 1. This table has been extracted from the ALP website available here <http://www.alp.org.au/startupyear>