

Australian Local Government Association – 2017 National General Assembly

Theme: Building Tomorrow's Communities

Motion:

Sample motion: *That this National General Assembly call on the Federal Government to restore indexation to local government financial assistance grants.*

That this National General Assembly call on the Federal Government to provide greater incentives under its National Innovation and Science Agenda to encourage young entrepreneurs to establish start-up businesses in regional areas of Australia outside of the capital cities.

Sub-themes (select all applicable):

- Governance – community driven planning and development**
(Question for consideration eg, what support do you need from the Commonwealth to improve the governance arrangements in your community?)
- Innovation – identifying and harnessing the key pillars of growth**
(Question for consideration eg, what support do you need from the Commonwealth to improve innovation within your community?)
- Liveability – maximising amenity, design and community cohesion**
(Question for consideration eg, what support do you need from the Commonwealth to enhance the liveability of your community?)
- Data driven public policy – using high quality data to grow the evidence base**
(Question for consideration eg, what support do you need from the Commonwealth to tap into big data and data analytics to provide greater insights into your community and to enhance decision making?)
- Social capital – improving the capacity of citizens and optimising workforce trends**
(Question for consideration eg, what support do you need from the Commonwealth to strengthen the social capital in your community?)
- Technology & infrastructure – identifying and investing in tomorrow's foundations**
(Question for consideration eg, what support do you need from the Commonwealth to allow your community to benefit from the smart cities agenda?)

Background:

- The Commonwealth Government has released potentially the most comprehensive national policy and program package to encourage innovation, entrepreneurialism and creativity through its National Innovation and Science Agenda (NISA).
- A key focus of NISA is to position the Australian economy for the future – so that it is more globally competitive, robust and can provide the platform for new enduring careers and prosperity for Australian communities in the decades to come.
- The NISA recognises that young, agile innovative firms are more competitive, more able to capture increased market share and more likely to increase employment than their competitors. Over the period 2006-2011, 1.4 million new jobs were created by firms aged less than three years old. Employment in mature businesses, in contrast, fell by 400,000.
- There is an opportunity for regional areas to gain a greater share of new employment and to foster the growth of their innovation ecosystems through a greater emphasis on young entrepreneurs being encouraged to establish in regional locations. The lifestyle and connectivity attributes (when combined) of many regional areas can be leveraged through the use of particular incentives that would underpin the efforts of regional areas to attract a greater number of start-ups and entrepreneurs.

National Objective:

- To improve the competitiveness of regional areas to grow employment and their innovation ecosystems through particular incentives to encourage young entrepreneurs to establish new business ventures outside of the State and Territory capital cities.
- Targeted incentivisation measures that are in line with those already supported through NISA and which could be considered include:
 - A 5% bonus tax incentives for early stage investors in innovative start-ups established in non-capital cities;
 - A higher percentage of eligible funding for regional incubators receiving assistance under the Incubator Support Program;
 - Establishing a competitive based regional ideas to market that provides small grant funding to regionally based start-ups to accelerate the commercialisation of their new ideas and intellectual property where this is consistent with regionally endorsed priorities (identified through the Regional Development Australia network).

Summary of arguments:

- NISA recognises that:
 - Australians are renowned for their smart ideas, but often fail to back them and turn them into commercial realities.
 - Only 9% of Australian small to medium sized businesses brought a new idea to market in 2012-13, compared to 19% in the top five OECD countries.
- The capital cities already enjoy significant infrastructure advantages and offer higher levels of accessibility to relevant programmatic support services that support start-ups to establish and survive.
- Regional locations can offer a better lifestyle option than capital cities but generally do not have as well developed innovation ecosystems.
- Regional areas also tend to experience higher levels of unemployment and potentially are at greater risk of exposure to the impacts of digital disruption and automation on the employment options for local labour forces.
- A modest, regionally oriented package of incentives to encourage the generation and establishment of start-ups in regional locations would be measurable and can be justified in a public policy context in terms of improving greater access to new skills and employment options for regional communities.

