

BUSINESS AND ECONOMIC DEVELOPMENT

ACT Labor is building a better city and a stronger community that is supported by a strong and diverse economy.

We know that a strong economy is needed so we can maintain our standard of living, our high levels of employment, our business confidence, our government services and the social cohesion of our community.

A strong economy also gives us the capacity to invest in services and facilities for the community.

At this time of global economic turmoil strong and proven economic management at the local level is even more important to cushion our community from the worst effects of this broader problem. Only ACT Labor has the record and experience to deliver this for our community.

ACT Labor will continue to ensure that we foster a strong, dynamic and resilient Territory economy that meets the needs of the Canberra community now and into the future. We are also committed to maintaining economic growth and promoting the ACT as the heart of our economic region.

Recently, the ACT Labor Government set out its broad direction for economic and business development in our *Capital Development: Towards our Second Century* strategy document. This policy now sets out the specific measures ACT Labor will pursue to grow the economy, to assist business and to grow employment in the Territory.

The strengths of the ACT economy are its skilled and motivated workforce, and its flexible and enterprising business sector. If re-elected, an ACT Labor Government will continue to enable and support sustainable economic activity—to create an environment that attracts and retains skilled workers and investment, and allows both employees and business owners to drive economic growth and development.

ACT Labor will continue to build a strong economy, maintain budget surpluses and provide Canberra businesses with assistance to make the most of our present opportunities, and meet the challenges of the future.

Jon Stanhope
Chief Minister, Treasurer and
Minister for Business and Economic Development

Katy Gallagher
Deputy Chief Minister

A Proud Record of Encouraging and Supporting Business and Economic Development

ACT Labor has worked hard to encourage and support business and economic development in the Territory.

ACT Labor has taken the hard decisions needed to ensure it has the economic fundamentals right – a strong economy, continuing budget surpluses and responsible Government spending.

Within this context of a strong and growing economy, ACT Labor has launched carefully targeted business and industry programs aimed at encouraging local business, particularly small and medium enterprises, to grow and develop.

Our Record

Since coming to office, ACT Labor has:

- Worked to ensure the ACT economy has been one of the strongest performing in the country; in 2006-07 the 5% real increase in Gross State Product per capita was almost double the national rate of 3.2%;
- Delivered consecutive surpluses in each year of government;
- Maintained a budget cash position that is the envy of other states and territories;
- Made unprecedented investments in the Territory's infrastructure, with annual capital works expenditure increasing from around \$100 million in 2001 to a record \$314 million in 2007-08;
- Delivered more land for residential, commercial and industrial development. The 2008-09 Budget supports the release of around 3,300 dwelling sites a year, around an average of 110,000 square metres a year of commercial sites, and around 100,000 square metres a year of industrial sites;
- Over 3,400 residential building blocks were released in 2007-08, the highest number released in a single year since self-government. A further 4,200 blocks are scheduled to be released this year;
- Maintained the highest level of services in the nation – at around 22% above the national average, while our taxation levels remain middle-of-the-pack;
- A \$3.1 million early-stage innovation incubation program
- Allocated \$1.1 million for the new CSIRO *Plant Phenomics Centre*, and \$2.5 million for the Australian National University's new *Climate Change Adaptation Centre of Excellence*
- Allocated \$36.6 million over four years in recurrent funding and \$14.3 million in capital funding for skills. In particular, Labor has allocated:
 - \$2.5 million for additional places at CIT and an extra \$1 million for the CIT Vocational College
 - \$1.2 million to strengthen the *Skilled and Business Migration Program*, link final-year and graduating international students with potential employers and increase traineeships and apprenticeships in the ACT Public Service

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- \$4.2 million to strengthen the health workforce and a boost for the *Live in Canberra* campaign
- Resources for a feasibility study into a new trades training centre in Fyshwick
- \$2.5 million to build capacity and leadership in the ACT public service

This has been achieved against a background of virtually full employment and a labour force participation rate at close to a record high.

ACT Labor has delivered these outcomes while increasing the efficiency of its own operations. The internal efficiencies the Government has demanded of its agencies since coming to office deliver about \$100 million a year in savings, year after year.

ACT Labor understands the need for a strong economy and a supportive environment for business can not be addressed just through specific economic and business measures alone.

Since coming to office, ACT Labor has also released, and is implementing, a range of other policies that make Canberra a more attractive city both for business and for employees with the skills our businesses need, including:

- *ACT Skills Future*- to tackle skills shortages;
- *ACT Affordable Housing Action Plan* – to improve housing affordability;
- *Weathering the Change* - the ACT's climate change strategy;
- *ACT Water Strategy* to guarantee sustainable water supplies for a growing city;
- Strategies to improve the ACT's infrastructure, including beginning preparation of the ACT's first *Infrastructure Plan* and the 2008-09 Budget's billion dollar *Building the Future* infrastructure fund; and
- Budget and policy initiatives to further develop the ACT's health, education and transport systems.

The social impacts of ACT Labor's achievements in these areas are clear:

- Life expectancy has increased by half a year for males, and a year for females, since Labor came to office and remains the highest in the country;
- The proportion of Canberrans with a post-school qualification has increased by 5 percentage points and remains the highest in the country;
- Household disposable income has increased by 47% since Labor came to office and remains the highest in the country; and
- The proportion of Canberrans on low incomes has decreased by around 3.5%, and is the lowest in Australia.

In our 2008/09 Budget, the ACT Labor Government announced a billion-dollar *Building the Future* infrastructure package to increase the productive capacity of our economy and workforce through:

- The creation of a health system to serve the needs of the next decade and beyond;
- Improvements to the transport system;
- Investments in meeting the challenges of climate change;

- Improvements to urban amenities;
- Improved public service infrastructure; and
- Providing for the growth of the city and its economy.

The 2008-09 Budget also provided significant support for small and medium businesses, innovation and skills. These measures include:

- Support for business, private-sector development, innovation and research totalling \$16.5 million over four years;
- A 20 per cent increase in the payroll tax threshold, from the current \$1.25 million to \$1.5 million, at a cost of around \$28.7 million over four years;
- \$1 million in venture capital for the *Canberra Business Development Fund*; and
- \$1 million in targeted marketing initiatives to promote the ACT's investment and business profile.

Moving Forward

Building on this strong record of achievement, a re-elected ACT Labor Government will work with ACT business and other stakeholder groups to further strengthen the Territory's economy, to assist business and to grow employment.

The ACT Labor Government's recent *Capital Development: Towards our Second Century* economic and business development strategy laid out the broad directions and outlined the approach the Government will pursue if re-elected.

ACT Labor's Business and Economic Development policy sets out the specific measures the ACT Labor Government will undertake to implement the broad strategy set out in the *Capital Development* strategy.

Maintain a strong economic base

A strong economy supports a strong business sector. As a first priority, a re-elected ACT Labor Government will maintain its commitment to strong fiscal management to provide the macroeconomic foundation to support business and continue the ACT's sustained economic development. At present, the ACT economy is strong, and only Labor has the experience and the vision to employ that strength to ensure the Territory is ready for the future. Labor's firm economic management is even more important for the well-being of the ACT following the recent turmoil in financial markets.

Stronger ACT-Commonwealth Government coordination

Stronger and more effective collaboration between the ACT and Commonwealth Governments is important in avoiding problems and making the best use of the skills and resources of each Government in advancing the ACT.

The ACT Government will seek to enhance this relationship by approaching the Australian Government to establish a new Ministerial level forum with the aim of increasing the level of collaboration between the two governments for the benefit of the national capital.

Continue to build the Territory's skills base

Skill shortages are a continuing challenge for Canberra's businesses. The Territory needs more workers, and it needs more workers skilled in specific areas. Building on its response to the recommendations of the *ACT Skills Commission* through *ACT Skills Future Strategy*, and the 2008-09 Budget, ACT Labor will undertake suite of additional measures to address current and expected skills issues.

Encourage post-school training in areas of identified skills shortage

ACT Labor will support small business by helping them attract better-qualified workers through a mix of measures that support employees while they improve their skills and training and through policies that make Canberra a more attractive city for employees to move to, and remain in once they have come to Canberra.

A re-elected ACT Labor Government will consult with CIT and other stakeholders to develop and implement a scheme under which the ACT Labor Government will provide assistance with course fees and materials to CIT students studying in areas of skills shortage, at a cost of \$1 million in its next term.

ACT Labor will help business employers attract university graduates and retain them once they graduate by paying students' on-going Higher Education Contribution Scheme payments while they remain employed in Canberra, at a cost of \$1 million in its next term. This program will begin with graduates in areas of identified skills shortages, and will be reviewed during the term of the next ACT Labor Government for possible extension to other graduates.

Better access to training

A key element of ACT Labor's approach to business development is to enlarge the opportunities for business owners and employees to identify and easily access appropriate training.

Accordingly, a re-elected ACT Labor Government will work with small businesses to identify and implement more effective means to deliver relevant information about appropriate training courses and providers to match the requirements of individual small businesses.

Building business and entrepreneurial skills in young adults

A re-elected ACT Labor Government will provide additional support over its next term for Young Achievers Australia to develop business skills in ACT high school, college and university students.

Young Achievers Australia is an innovative and effective leadership and business skills development program for the Territory's budding entrepreneurs. At present the program receives some in-kind, and other ACT Labor Government, assistance. Under this proposal the current support will be augmented by an additional \$10,000 a year from 2008-09 in direct funding.

Business and Economic Development

Continue to lobby the Commonwealth Government to address issues with the current business migration system

The current Commonwealth Government business migration system disadvantages the ACT in terms of attracting and retaining skilled workers important to Canberra businesses and the economy. ACT Labor will continue to lobby the Commonwealth to remove this disadvantage and to assist the ACT attract skilled workers from other countries to meet ACT business needs.

Continue to encourage skilled workers to move to Canberra

ACT Labor will encourage more skilled workers to move to Canberra by continuing to fund our award-winning *Live in Canberra Campaign* and *Skilled and Business Migration Program*.

Support small business

Keeping businesses ahead of technology change

ACT Labor will support home-based businesses and encourage home-based business start-ups by consulting with industry on measures to encourage all new land developments to provide *Fibre to Home* broadband connections.

ACT Labor will also work with the property and development industry to encourage the adoption of *common user* trenches for communications cabling, for all new residential, commercial and industrial developments.

Continue support for Canberra BusinessPoint

ACT Labor will continue to fund the *Canberra BusinessPoint* program, which has demonstrated its value in the provision of advice and mentoring services to ACT small business.

Business in Focus to continue

A re-elected ACT Labor Government will assist the business community to stage a biennial *Business in Focus Month*, commencing in September 2009 with the purposes of profiling Canberra as a place to do business and to assist businesses to develop new capabilities through education and information.

New payroll tax concession arrangements

Payroll tax is an important lever for the Government to use in attracting and retaining sustainable businesses that will grow the Territory economy and employ additional ACT workers.

A re-elected ACT Labor Government will introduce a strategically focused payroll-tax concession program to support significant new private sector investment projects. A particular focus of the new approach will be on supporting innovation, growing ACT exports and further developing the skills capacity of ACT firms.

Building strategic relationships between business, government and universities

A re-elected ACT Labor Government will work with ACT tertiary institutions and major public and private organisations to put in place supportive urban planning strategies that build, support and strengthen the innovation capability in the Acton-Bruce Innovation Corridor.

A re-elected ACT Labor Government will work with tertiary education institutions, and senior colleges, to develop an integrated tertiary education system that meets current and emerging professional education and skill needs and opportunities.

A re-elected ACT Labor Government will fund a feasibility study for a *Centre for Creative Enterprise and Cultural Production*, based on the capabilities at the Australian National University, University of Canberra and Canberra Institute of Technology, at a cost of \$100,000.

A re-elected ACT Labor Government will work with education institutions, other education service providers and business, to grow and sustain the market for the export of education services. To assist this process, a re-elected ACT Labor Government will provide \$50,000 towards the cost of a business marketing strategy for the sector.

A re-elected ACT Labor Government will work with the University of Canberra to position the University and its campus as a national and ACT-community indoor sports hub.

A re-elected ACT Labor Government will work with the *Lighthouse Business Innovation Centre* located at the University of Canberra to trial a *Knowledge Connect* intermediary access program, to assist businesses develop strategic relationships with university and institution-based research staff.

Using Government purchasing to support local business

Reform of ACT Government procurement

A re-elected ACT Labor Government will review its procurement policies to further assist ACT businesses raise their awareness of Government procurement processes and procurement exercises, including through enhancing the ACT Government procurement website.

Small Business 30 day payment

As an extension of its business-friendly policies, under a re-elected ACT Labor Government all undisputed payments owed by the ACT Government to business and service suppliers to the Government will be paid within 30 days of receipt of an invoice. Government agencies that do not make payments on agreed invoices within 30 days will pay an additional, commercial rate of interest on late payments.

Assisting business prepare for climate change

Climate change is one of the most pressing challenges the ACT will face in the coming years. ACT Labor will assist business in a number of ways to prepare for climate change.

Small business climate change information service

It is also important that small businesses become aware of the possible impacts of climate change on their operations. ACT Labor will assist in this task by providing \$148,000 in its next term to fund a service providing best practice information and advice on climate change mitigation and adaptation measures.

Helping business to be wise with water

A particular issue is making better use of water, one of our most scarce resources. To assist small businesses with this challenge, the ACT Labor Government will provide \$600,000 over its next term to support business water audits and the development of business water management plans to undertake business continuity planning and to support businesses implement water saving measures.

Building audits

The ACT has a large amount of ageing second and third class commercial property that may not be being managed as effectively as possible in terms of its energy efficiency. To respond to this issue ACT Labor, if re-elected, will provide funding of \$75,000 in its next term to fund building efficiency audits of second and third class commercial property.

Supporting exporters

ACT Labor will provide particular support for Territory businesses that export goods and services, or those that are striving to position themselves for export activity. In signing a Memorandum of Understanding with Austrade recently, the ACT Labor Government signalled its commitment to working with Austrade to support local firms already exporting or seeking to export.

ACT Labor will further assist exporters by expanding the existing *Trade Connect Program* with an additional \$150,000 for a total of \$400,000 per year over the next three years.

If re-elected, ACT Labor will continue its current level of funding to support the *ACT Exporters Network*, and the *ACT Chief Minister's Export Awards*.

ACT Labor will undertake a census of ACT exporters and export intenders to gather strategic information on ACT export capacity, to inform policy and measure the impact of programs and services. This will be updated every two years.

ACT Labor is committed to strengthening the Territory's connections with strategically important export markets such as China. It will work with local universities to deliver a feasibility study to establish a Confucius Institute in the ACT, based on successful models operating elsewhere in Australia and overseas. Confucius Institutes are dedicated to the promotion and development of Chinese language, culture and business relationships and based on a partnering model with a Chinese university. ACT Labor will also increase its support for the ACT Honorary Ambassador Program to assist the Government's trade, migration and investment facilitation objectives. The combined cost of these two initiatives is \$309,000 over the next term.

Encouraging innovation

Innovation Canberra

A re-elected ACT Labor Government will work with peak business groups and other stakeholders to establish a new entity, to be known as *Innovation Canberra*. *Innovation Canberra* will be responsible for leading, driving and coordinating initiatives requiring the collaboration of industry, government, research organisations and the tertiary education sector in encouraging and promoting innovation in ACT business. If re-elected, the ACT Labor Government will provide funding of \$300,000 over the Government's next term for this new entity.

Continue support for Screen ACT

A re-elected ACT Labor Government will commit to a further funding agreement for *ScreenACT* to support Canberra's growing digital multimedia, film and documentary production sector, at a cost of \$555,000 in its next term.

CollabIT

It is important for ACT small and medium sized businesses operating in the information and communication technology field that they be supported to develop links with larger national and international firms in this sector.

To assist this, a re-elected ACT Labor Government will work with the Australian Information Industries Association on the *CollabIT* program, at a cost of \$150,000 over the next term of government.

Supporting retailers through urban renewal

A re-elected ACT Labor Government will continue to work to improve the attractiveness of Canberra as a place to live and work, invest and do business.

Improving Civic as the centre of the city

A re-elected ACT Labor Government will work with Canberra CBD Ltd to develop an integrated plan for Civic, and to refresh the Sydney and Melbourne buildings.

ACT Labor will support enhanced *Grooving in the City* style outdoor community activities in Civic in partnership with Canberra CBD Ltd.

Implementing the Government's new supermarket competition policy

ACT Labor will continue the implementation of its supermarket competition policy by undertaking a review of the Dickson, and a revision of the Dickson and Kingston Master Plans, at a cost of \$220,000 in its next term if re-elected.

Upgrade and extend infrastructure

Good quality urban infrastructure provides a strong platform for ACT business, and the ACT Government is determined to ensure that the Territory's urban and other infrastructure is well planned, meets priority needs and is delivered on time. In pursuing these goals, a re-elected ACT Labor Government will undertake a number of measures, listed below.

Audit existing public assets

A re-elected ACT Labor Government will audit the ACT's public assets and infrastructure, including roads, bridges and other facilities to ascertain the state of our current capital assets.

Complete a ten-year infrastructure development plan

To strengthen its strategic approach to infrastructure planning for the Territory, a re-elected ACT Labor Government will complete a rolling ten-year infrastructure plan for the Territory. This *ACT Infrastructure Plan* will be used to inform the planning and delivery of the ACT Labor Government's billion dollar *Building the Future* capital works program.

New structures and processes for better coordination of infrastructure delivery

It is important to continue to review and improve processes for the planning and delivery of government services and facilities. In this light, a re-elected ACT Labor Government will investigate possible new structures and processes to better coordinate planning and delivery of the Government's infrastructure program, in particular:

- Better alignment of project planning and delivery with Government priorities;
- More certain commencement times for projects; and
- Expand the role of the ACT Government's *Strategic Project Facilitation Group* to take a more proactive role in identifying and addressing bottlenecks and assisting major private and public sector capital investment opportunities.

Canberra International Airport

A re-elected ACT Labor Government will support the development of Canberra International Airport through collaborations with Canberra International Airport in marketing and promotion initiatives.

Planning for a new National Convention Centre

A re-elected ACT Labor Government will proceed with a feasibility study into development of a new National Convention Centre for Canberra. An ACT Labor Government will also continue to seek Commonwealth financial and other participation in this important ACT and national project.

Taxis

The ACT Labor Government believes current issues within the Canberra taxi industry are a major concern for the community, the tourism industry and the taxi industry itself. The ACT Labor Government has already implemented a number of initiatives, but more remains to be done.

In consultation with the industry and other stakeholders, a re-elected ACT Labor Government will work through a consultative forum to identify long-term solutions to the problems of the taxi industry, including:

- Making the taxi industry a higher priority for the Government's *Live in Canberra* skills attraction program to address the shortage of taxi drivers in the ACT;
- Reviewing the formula underpinning the taxi Composite Cost Index;
- A formula addressing the future release of taxi plates; and
- Other legislative impediments to the taxi industry.

A re-elected ACT Labor Government will also assist the taxi industry by continuing to encourage more High Occupancy Taxis within the existing fleet.