

Australia seeks 'ideas boom' with tax breaks, visa boosts

December 7 2015

Australia will introduce an entrepreneur visa and offer tax breaks for start-ups, the government said Monday as it tries to unleash an "ideas boom" to move the economy away from dependence on mining.

Launching a signature Aus\$1.1 billion (US\$806 million) four-year innovation agenda, Prime Minister Malcolm Turnbull said Australia needed a "dynamic, 21st century economy" underpinned by creativity.

"This is all about unleashing the ideas boom," he told reporters in Canberra.

"Unlike a mining boom, it is a boom that can continue forever. It is limited only by our imagination."

Australia has enjoyed more than 20 years of economic growth, but an unprecedented mining investment boom is now fading, commodity prices are dropping and government revenues are falling.

Turnbull, a tech-savvy former businessman who became [prime minister](#) in September after beating his conservative Liberal Party colleague Tony Abbott in an internal ballot, said innovation was crucial to the next wave of prosperity.

Australia lagged in terms of commercialising ideas, consistently ranking last or second last among OECD countries for business-research collaboration, he said, meaning a big cultural change was needed to turn

things around.

"Our appetite for risk is lower than in comparable countries, which means Australian start-ups and early-stage businesses often fail to attract capital to grow," Turnbull said.

To help fix this, new tax breaks for early-stage investors in start-ups will be offered, giving them a 20 percent non-refundable tax offset based on the size of their investment, as well as a capital gains tax exemption.

Insolvency laws, which currently focus on penalising and stigmatising business failure, will also be reformed, said Treasurer Scott Morrison.

"We understand that sometimes entrepreneurs will fail several times before they succeed—and will usually learn more from failure than from success," Morrison said.

Turnbull said there would be no cap placed on the number of new entrepreneur visas designed to attract innovative talent, while changes would also be made to retain high-achieving foreign students.

"The more high-quality, effective, productive enterprising entrepreneurs we can attract, the better. Because they drive jobs," he said.

School students will be encouraged to learn coding and computing while the government will also establish a Aus\$200 million innovation fund at national science body CSIRO to co-invest in new spin-off firms.

'Turning point'

The science community welcomed the news, particularly the decision to create an innovation and science committee within cabinet.

"This elevates science and innovation to the very highest levels of government consideration, alongside the National Security Committee," said Science and Technology Australia chief executive Catriona Jackson.

The Australian Academy of Science's Les Field said the innovation agenda represented a "turning point".

"It means we can grow an economy based on our outstanding science, and which makes the best use of our significant scientific capital," he said.

Turnbull said there were no guarantees the various policies would work, but committed to changing them if they failed.

The millionaire former barrister and investment banker said he wanted to change the paradigm under which "politicians felt they had to guarantee that every policy would work".

"If some of these policies are not as successful as we like, we will change them," he said.

"We will learn from them. Because that is what a 21st century government has got to be. It has got to be as agile as the start-up businesses it seeks to inspire."

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Citation: Australia seeks 'ideas boom' with tax breaks, visa boosts (2015, December 7) retrieved 24 April 2024 from <https://phys.org/news/2015-12-australia-ideas-boom-tax-visa.html>

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