

New Industries Fund

TO DRIVE STARTUPS



A Government for You.

WA Labor Policy

March 2016

Investing in new and emerging businesses in the Startup Sector

WA Labor will invest \$14.5 million in a ‘New Industries Fund’ to support and accelerate new and emerging business in the Startup and Gaming sector. This investment will generate jobs in a diverse range of industries and provide investment opportunities for these new companies.

In the regions, WA Labor will work with the Regional Development Commissions to identify locations to develop business incubators to foster and accelerate regional based Startup and Gaming enterprises. WA Labor is committed to ensuring that there is a focus on innovation as a future driver of our regional economies.

A McGowan Labor Government will work with industry to develop the best methods to encourage collaboration between the public sector, private sector, industry and research institutions towards innovation, driving new industries and creating more jobs.

As part of WA Labor’s *Plan for Jobs*:

- A McGowan Labor Government will create a \$14.5 million New Industries Fund providing grants to support and accelerate new and emerging businesses in the Startup and Gaming sector, creating jobs in this burgeoning hi-tech industry.
- From the New Industries Fund, \$4.5 million will be invested in regional WA.



“I believe WA is a state that thinks smarter and acts smarter to create a more diverse economy and job opportunities for us all.”

Mark

Mark McGowan
WA Labor Leader

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Investing in Startups

The early stage innovation and technology (Startup) sector in Western Australia has evolved significantly over the past ten years. As the dominance of the resource sector wanes, innovators are making good use of the available space, skills and capital to participate in the WA Startup and Gaming community.

However, while WA's digital Startups have grown by 235 per cent in the last two years, currently two-thirds of the Australian's Startup community operate out of Sydney¹. Similarly 40 per cent of the games produced in Australia come from Victoria where state funding support is provided for game development.

The failure of the Liberal Government to provide support and leadership means that WA underperforms in the Startup and Gaming sector compared to other states. We need to do more to attract and foster these enterprises in Western Australia as future sources of economic diversity and job creation.

WA Labor will provide funding support through the New Industries Fund to focus on early career and business development support and foster an environment where private investment does the heavy lifting for commercial production and market entry.

The need for Startups

Startups are new companies, generally under five years old, primarily focused on developing innovative digital technology, with a high leverage on labour, an innovative scalable business model and are capable of rapid growth.

A report by StartupAUS concluded that 'without a vibrant startup environment then the larger organisations 'face increased risk of digital disruption from startups overseas².'

The failure of the Liberal Government to provide a focus on this sector is a risk to our economy. Digital disruption will change the face of many industries including existing companies servicing existing markets. In the coming years, WA needs to be at the fore-front of these changes and WA Labor has a plan to do this.

Regional Startups

We must also support innovation in regional WA which has the effect of boosting the local economy and creating further opportunities for job growth. The New Industries Fund will include a 'Regional Startups' stream.

The resources sector has been a major driver of new technologies and research expertise in the regions for many years. As this sector transitions to an operational phase, it is important that we retain the technology and specialist skills to drive new industries in regional WA.

Connecting Startups and Investors

WA Labor is committed to ensuring that government assists the acceleration of the WA Startup sector by attracting overseas investment.

'A report by surveyor StartUp Muster and backed by Google found nearly 20 per cent of start-up companies in Australia are planning to relocate overseas while around a quarter plan to undertake capital-raising overseas³.'

A McGowan Labor Government will develop and foster formal networks with our regional neighbours to enable access to wider investment markets.

¹ PwC; The Startup Economy; April 2013; p5

² The StartupAUS report, Scaling up our growth opportunities – Why Australia's big business economy is working to create a thriving startup environment; August 2015; p7

³ Tuy Ong; ABC Online; One in five Australian Start-ups looking to go overseas report finds; 9 December 2015

WA Labor | **New Industries Fund**

Innovation

Diversification

Creating Jobs

Strong Economy



A Government for You.