



The Coalition's Policy

Key Commitments

Indigenous economic development is at the heart of the national agenda.

The Coalition is committed to working with Indigenous people. Our policies will have a greater emphasis on place-based approaches and ensure engagement with Indigenous communities and leaders is central to everything we do.

Economic participation and employment underpin improvements in social outcomes.

In the ongoing task of Closing the Gap, the Coalition will continue to remind the Australian community of the rich story of Indigenous creativity, innovation, and entrepreneurship. The Coalition will continue to showcase and grow the extraordinary depth and breadth of talent in Indigenous Australia and build a thriving Indigenous business sector.

Working together, we can help more Indigenous Australians uncover and exploit the opportunities of our new economy, while maintaining their connection to their culture and heritage.

We are committed to creating more opportunities for Indigenous businesses and, in turn, employment. We want to encourage Indigenous innovation, which creates a pipeline of opportunity. Indigenous businesses are 100 times more likely to hire Indigenous Australians than non-Indigenous businesses, which is why we are creating an environment where Indigenous business and innovation can grow and prosper.

The Coalition has implemented measures to improve Indigenous business opportunities.

But we can do more.

The Coalition will continue to build jobs and growth in new Indigenous business by:

- delivering a tax cut for Australia's small businesses
- establishing a \$115 million Indigenous Entrepreneurs package, including:
 - \$90 million for an Indigenous Entrepreneurs Fund
 - \$23.1 million for Indigenous Business Australia's Indigenous Business Development and Assistance Programme
 - \$1.9 million for the development of the Indigenous business sector strategy
- building on the early success of our commitment to three per cent of Government procurement coming from Indigenous businesses
- building on the Employment Parity Initiative to generate even greater opportunity for Indigenous businesses

Our Plan to Develop Indigenous Business Opportunities

The Coalition will continue to deliver jobs and growth in new and existing Indigenous business.

Our small business measures in the 2015-16 and 2016-17 Budgets addressed some of the challenges Australians face in starting and growing their small businesses.

These measures will greatly assist Indigenous businesses, but extra support is needed given that many Indigenous Australians face additional barriers to establishing and growing their small businesses.

The Coalition understands the challenges faced by small business. We also recognise that small businesses are vital to driving jobs and growth for all Australians and we want to ensure that Indigenous Australians have every opportunity to be a key part of our economy.

1. Delivering a tax cut for Australia's small businesses

The Coalition will deliver a tax cut for Australia's small businesses.

Our commitment will mean greater cash flow for small businesses, giving them more capacity to invest, grow their business, employ more, and promote their products or services into new markets.

From 1 July 2016, small businesses will have their corporate tax rate progressively reduced.

On 1 July 2016, the tax rate will fall to 27.5 per cent for companies with annual turnover less than \$10 million

This 27.5 per cent rate will be gradually extended to all companies, before falling to 27 per cent on 1 July 2024, 26 percent on 1 July 2025 and 25 per cent on 1 July 2026.

Because not all small businesses are incorporated, from 1 July 2016, unincorporated businesses with annual turnover less than \$5 million will be able to access an increased unincorporated tax discount of 8 per cent, capped at \$1,000. The discount will increase to 16 per cent in increments between 2024-25 and 2026-27, to coincide with the staggered cuts in the corporate tax rate to 25 per cent.

Our commitment will support Indigenous small businesses and encourage more Indigenous enterprises to invest and employ.

2. Establishing a \$115 million Indigenous Entrepreneurs package

The Coalition will establish a \$115 million package of targeted support for Indigenous entrepreneurs and small Indigenous businesses.

Key to our package will be support for Indigenous business development through a \$90 million Indigenous Entrepreneurs Fund.

The Indigenous Entrepreneurs Fund will provide one-off grants for capacity-enhancing infrastructure (for existing enterprises) or for establishment infrastructure (for new businesses).

Significant focus will be placed on regional and remote communities where the challenge of creating employment opportunities is greatest. The Indigenous Entrepreneurs Fund will link closely with the Community Development Programme, which provides employment services in remote Australia, to ensure job seekers are able to take advantage of the job opportunities that we create with this investment.

The Indigenous Entrepreneurs Fund will enable Indigenous people to secure their own future by being self-employed, starting or growing a small business and running enterprises that employ people.

Grants will be geared toward business opportunities that can generate employment and will be complemented by finance through either Indigenous Business Australia or the private sector.

The Indigenous Entrepreneurs Fund will enable more Indigenous businesses to take advantage of the Coalition's commitment to Indigenous procurement, which has significantly increased Commonwealth purchases from Indigenous businesses and is helping create a strong, vibrant Indigenous business sector.

To complement the Indigenous Entrepreneurs Fund, the business support operations of Indigenous Business Australia will be refocused to provide greater assistance for entrepreneurs and business start-ups.

Indigenous Business Australia is a Commonwealth agency that supports the growth and development of Indigenous businesses. Its \$23.1 million Business Development and Assistance Programme will be refocused to ensure Indigenous entrepreneurs can turn good ideas into viable businesses, which will in turn employ First Australians. This will include business support to give business ideas the best chance of succeeding, particularly in remote communities.

We will also provide \$1.9 million to develop an Indigenous business sector strategy to provide Indigenous Australians with a clear roadmap to take advantage of the transitioning economy and the increasing opportunities available to Indigenous businesses.

The strategy will ensure Indigenous Australians understand the pathways to entrepreneurship and the services and supports available to succeed.

The strategy will be developed in partnership and consultation with key stakeholders such as Supply Nation, Indigenous chambers of commerce, and business advisory services. The strategy will also ensure that Indigenous businesses are able to take advantage of all available support right across the various levels of government and the private sector to assist them in establishing and growing a business, as well as seizing domestic and international market opportunities.

Our commitment will help drive Indigenous business opportunities, create jobs, and boost opportunities in Indigenous communities.

3. Driving our Indigenous Procurement Policy

The Coalition is committed to building financial independence and creating employment opportunities for Indigenous Australians.

In the first ten months since our Indigenous Procurement Policy commenced in July 2015, the Coalition awarded 911 contracts to 274 Indigenous businesses with a total value of \$154.1 million.

This is a spectacular result compared to the failed results of previous years under Labor.

Our approach requires three per cent of all Commonwealth contracts to be awarded to Indigenous businesses by 2020. Results will be publicly available every year, making departments and agencies and senior public servants accountable for outcomes.

Labor's approach in government was cumbersome, not enforced and outcomes weren't reported. Unsurprisingly it achieved little, delivering only \$6.2 million or 0.02 per cent of overall Commonwealth spending in 2012-13.

The Coalition understands small business.

That is why our policy is delivering real results, achieving a 25-fold increase in Government spending on Indigenous procurement in just ten months.

4. Building on the Employment Parity Initiative

The Coalition will build on the success of our Employment Parity Initiative, which works with Australia's largest employers to take their Indigenous workforces to parity with the Indigenous population (3 per cent) or more.

We will require Parity Employers to not only commit to Indigenous employment targets, but also to increase their own purchasing from Indigenous businesses.

The Employment Parity Initiative is on track to create 20,000 jobs for Indigenous Australians by 2020.

Already, 11 companies have collectively committed to 7,265 jobs for Indigenous Australians over the next three years.

Some of Australia's biggest employers have committed to our approach, including Woolworths, Accor Pacific, St Vincent's Health, MSS Security, Compass Group and Hutchinson Builders.

The Employment Parity Initiative targets the most disadvantaged jobseekers.

There is now an opportunity for Parity Employers to use their large supply chains to contract goods and services from Indigenous businesses to help build the Indigenous business sector and generate even more job opportunities for Indigenous Australians.

Our major corporations have enormous buying power and we will work with them to build stronger Indigenous procurement policies into their own supply chains.

The Choice

The Coalition provided \$4.9 billion for the continuation of the Indigenous Advancement Strategy.

We are supporting more and more Indigenous Australians into work through a range of employment programmes.

In the last three years, we have secured jobs for more than 39,000 Indigenous men and women.

We are working with Australia's largest employers to create jobs for 20,000 Indigenous Australians through the successful Employment Parity Initiative.

Our Indigenous Procurement Policy is significantly increasing government purchases from Indigenous businesses helping grow a strong Indigenous business sector.

The Coalition's own Indigenous recruitment target of three per cent across the Australian Public Service by 2018 will see an additional 2,385 Indigenous people working in the public sector, bringing the total to more than 9,250.

Under the new Community Development Programme job seekers in remote Australia are contributing to their communities and gaining valuable work skills. This is in stark contrast to Labor's failed Remote Jobs and Communities Programme which only led to more people becoming disengaged, entrenching passive welfare.

Indigenous businesses will also have access to our small business measures:

- extending access to the instant asset write off from 1 July 2016 so that small businesses with a turnover less than \$10 million can instantly deduct each and every asset under \$20,000.

This means more business are able to instantly write-off their assets, reducing their tax bill for next year and there is no limit of the number of items under \$20,000 a business can write-off.

- making life easier by simplifying Business Activity Statements, reducing reporting labels from seven to three.

This will make it easier for small businesses to comply with tax rules and free-up their time so they can spend more of it on growing their business and providing services to their customers.

- We're changing section 46 of the Competition and Consumer Act –directly benefiting small businesses by prohibiting anti-competitive conduct, levelling the playing field for all small businesses.

Only a Coalition Government understands small business. Only the Coalition can create the environment for Indigenous businesses to seize the opportunity to grow and prosper for themselves and their Indigenous employees.

Costs

The Coalition will invest \$115 million to develop Indigenous business opportunities.



THE NATIONALS
for Regional Australia

For further details of the Coalition's plan go to
www.liberal.org.au/our-plan
nationals.org.au/our-plan/