

Industry, Science and Tourism

Making Industry Stronger

Making Industry Stronger – commits the Coalition to strengthen the competitive advantage of Australian industry by reducing costs and securing jobs and investment. It promises to develop Australian industry in the new millennium through a focus on policies that promote innovation and encourage capital for growth.

Making Industry Stronger

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Executive Summary

- ***Making Industry Stronger*** - builds on the foundations of the Coalition's existing economic and industry policies.
- It commits the Coalition to strengthen the competitive advantage of Australian industry by reducing costs and securing jobs and investment.
- It promises to develop Australian industry in the new millennium through an increased focus on policies that promote innovation and encourage capital for growth.

Boosting Competitiveness

- The Coalition's plan for tax reform will **lower business costs** and boost the competitiveness of exports.
- Industry costs will be cut by an average of 3.2 per cent, **saving business over \$10 billion a year**.

- The Coalition's policies will promote stronger jobs' growth by making Australia a more attractive location to invest.
- We have established *Invest Australia*, the Government's new investment promotion, attraction and facilitation agency.
- The Coalition will introduce a new *Printing Industry Competitiveness Scheme*, at a cost of \$4.4 million a year, to improve the competitiveness of the book printing industry.
- The Coalition will secure investment and encourage innovation in Australia's shipbuilding industry by extending the shipbuilding bounty and introducing a new *Shipbuilding Innovation Scheme*.

Creating Smarter Jobs and industries

- The Coalition will **maintain the research and development tax concession at its current rate of 125 per cent.**
- The Coalition has provided long-term funding for stronger business research and development and commercialisation through the *R&D Start* program.
- The Coalition is introducing new measures to **enhance the Australian venture capital market** and to encourage greater availability of capital for the growth of emerging Australian businesses.
- We shall support a new *Investment Ready program* to strengthen information available to early stage companies looking for capital to expand.
- We also shall introduce a new *Venture Awareness program* to better inform Australian investors of opportunities in venture capital.

- We have extended funding for the new *Innovation Investment Funds* program.
- We shall introduce changes to improve the *Pooled Development Funds* program.
- The Coalition is working to **strengthen the partnership between industry and Government.**
- We shall initiate new *Action Agendas* for the printing industry; heavy engineering and infrastructure; biotechnology; and sport and recreation.
- We shall implement a new initiative, *Australian Industry 2010*, to prepare Australian industry for the challenges of the next decade.
- A re-elected Coalition Government will jointly sponsor a *National Innovation Summit* in the first half of 1999.

Overcoming Labor's Legacy

For 13 years Labor failed Australian industry. Labor failed on jobs and investment. They left Australian industry with a legacy of deficit, debt and high interest rates. They left business with an outdated, unfair and inefficient tax system that adds to costs, penalises exports and undermines the incentive to work and save.

Even Labor has been forced to concede that its policies failed Australian industry:

"The greatest mistake of successive Labor governments from 1983 to 1996 was the failure to develop a coherent industry policy."

Graham Richardson, *The Bulletin*, 17 June 1997.

Australian industry can't afford a return to Labor's failed policies.

- Under Labor, Australia's manufacturing sector shed almost 200,000 jobs and showed no net growth in employment for 12 years.
- Under Labor, business overdraft rates reached 20.5 per cent. The Coalition has brought the business overdraft rate down to 7.7 per cent, the lowest level in 33 years.
- Under Labor, business investment fell to a record low as a share of GDP.
- Under Labor, Australia fell from 10th to 21st position in the Institute of Management Development (IMD) ranking of international competitiveness.

Highlights of the Government's Achievements

In Government, the Coalition has established a comprehensive policy framework for stronger sustainable economic growth, higher productivity, expanding opportunities and rising living standards.

A Restoring Australia's Economic Foundations

The first phase of the Coalition's strategy was the restoration of Australia's economic foundations.

Our policies turned a Budget deficit of more than \$10 billion under Labor, to a surplus of \$1.2 billion in the last financial year. Under the Coalition the Budget is projected to remain in surplus and Commonwealth net debt as a share of GDP to be halved by the turn of the century, compared with a level of 20 per cent that we inherited from Labor in 1996.

Reform of fiscal policy has been complemented by wider economic reforms:

- we have modernised the industrial relations system, through the *Workplace Relations Act (1996)*;
- our reform of the financial system following the (Wallis) *Financial System Inquiry* is building Australia's credentials as an international

financial centre;

- our small business policies have reduced the burden of regulation, cut the cost of compliance and provided greater protection against unfair business practices;
- education and training policies are encouraging higher levels of national literacy and numeracy, providing a pathway to jobs and funding more apprenticeships and traineeships.

Under the Coalition:

- lowest inflation since the 1960's;
- interest rates are at their lowest sustained levels in more than 25 years;
- employment growth is strong, with 317,000 jobs created since March 1996; and
- business investment as a share of GDP is at record levels.

B Policies for Growth and Jobs

The Coalition's policies for Australian industry have built upon the renewed strength of Australia's economic foundations.

In December 1997 the Prime Minister announced the Government's industry strategy, *Investing for Growth*, to take Australian industry into the new millennium.

Investing for Growth, provided an additional \$1.26 billion over four years to encourage business innovation, boost investment, improve our trade performance and enhance our competitiveness in key sectors including information technology and financial services.

The major initiatives were:

- a substantial increase in support for innovation, with \$1 billion to

encourage increased business research and development over the next four years;

- the establishment of a new agency, *Invest Australia*, to more actively promote Australia as an investment location and to identify strategic new investment opportunities;
- extending the Export Market Development Grants (EMDG) program, at a cost of \$150 million a year in 2000-01 and 2001-02;
- a new system of Manufacturing in Bond to allow firms to use Australia as a regional hub for operations without incurring duty liability on goods for re-export or for use as inputs to exports;
- introduction of a range of taxation measures to increase Australia's attractiveness as a financial centre;
- the adoption of an *Action Agenda* to foster the development of information industries.

C Agenda for the Future

The Coalition will build on these achievements and to proceed with the next stage of its plan for a stronger economic future for Australia.

Our strategy for business and industry is focussed on Australia's future - building a strong economy, providing certainty for investment and generating sustained growth and new jobs.

Comprehensive tax reform is an essential part of the Coalition's agenda for the future.

The existing taxation system is out of date, unfair, internationally uncompetitive, ineffective and unnecessarily complex.

A new tax system is essential to lift the tax burden on our exports and to enable Australian enterprises to compete more effectively in global markets for goods, services, capital and labour.

Our plan for tax reform is an essential part of our strategy to make

Australian industry stronger by reducing business costs.

In addition we are reviewing other areas of Government policy to remove anomalies and to ensure that industry does not face unfair or unnecessary costs or charges.

We are implementing new strategies to attract investment and secure jobs so that the competitive advantage of Australian industry is renewed and strengthened.

The Coalition's policies for industry emphasise the need to build smarter jobs and industries of the future by encouraging innovation and enhancing the ability of Australian industry to develop and commercialise new products and processes.

Making Industry Stronger

Part 1 – Boosting Competitiveness

A Reducing Business Costs

The Coalition is implementing policies to reduce the cost of doing business in Australia.

The Coalition's plan for tax reform will abolish outdated and inefficient taxes, reducing costs for all industries.

Industry costs will be reduced by an average of 3.2 per cent, saving business more than \$10 billion a year. These benefits will stem from:

- removal of the wholesale sales tax (WST);
- diesel excise reforms; and
- abolition of State and Territory taxes such as financial institutions duty, debits tax and most stamp duties on business activities.

With the introduction of a broadly based goods and services tax (GST) industries will be able to claim a rebate or input tax credit for virtually all GST paid on their inputs.

Strongest reductions in business costs are expected in the following areas:

- 2.8 per cent for the agricultural industries;
- 4.4 per cent for the mining industries;
- 3.6 per cent for the manufacturing industries;
- 4.7 per cent for the construction industry; and
- 2.6 per cent for the service industries

Reduced costs will be particularly good for Australian exporters.

Exports will be GST-free. Coupled with the removal of WST and various State taxes, exporters are expected to save around \$4.5 billion in the first year of operation of the GST.

B Securing Jobs and Investment

The Coalition's industry policy aims to strengthen Australia's attractiveness as a location for new domestic and international investment.

We have implemented a range of policies to secure this objective, including:

- The establishment of *Invest Australia*, the Government's new investment promotion, attraction and facilitation agency.
- The appointment of Mr Bob Mansfield as Strategic Investment Coordinator to facilitate investment in projects of major national significance and advise the Government on the need for investment incentives in limited and special circumstances.
- The implementation of targeted, sectoral strategies to encourage new investment and secure jobs in key industries like the pharmaceutical industry, the automotive industry, and the textiles clothing, clothing

and footwear industries.

(i) Invest Australia

Invest Australia was established to identify and secure new investment opportunities to create jobs in Australia.

Invest Australia oversees the Government's Major Projects Facilitation program. This program streamlines approvals for selected projects involving capital investment of more than \$50 million.

There are 26 projects that have Major Projects Facilitation Status, involving around \$49 billion of new investment and the creation of 12,000 new jobs.

Since December 1997, *Invest Australia*, has attracted more than 60 smaller new investments collectively worth around \$2.5 billion. These new investments are expected to create more than 5,500 new jobs for Australians and will generate an additional \$1.3 billion a year in exports.

In July 1998, the Prime Minister opened *Invest Australia's* new *National Investment Response Centre* in Sydney. This facility operates a 24-hour call centre for investment enquires.

(ii) Strategic Investment Coordinator

The *Strategic Investment Coordinator's* role is to fast track the approvals for selected major projects, and to advise the Government on policies to increase Australia's investment attractiveness, including through the possible provision of investment incentives.

Mr Bob Mansfield has been appointed as the inaugural *Strategic Investment Coordinator*. He is currently facilitating seven major projects representing new investment totalling \$24 billion with the potential to create around 2,600 permanent jobs.

(iii) Sectoral Initiatives

The Coalition is putting in place new strategies to encourage new investment and secure jobs in key industries.

Book Printing Industry

The Coalition will introduce a new initiative to strengthen the competitiveness of the Australian book printing industry.

Most of the printing industry is assisted by a 5 per cent tariff. However, book printing, which accounts for around 10 per cent of the total printing industry, has historically been assisted by a bounty.

The book bounty expired in December 1997. Since then the industry has not received assistance on its outputs but has continued to pay duty on some of its inputs. In contrast, imports of printed books remain duty free.

The Coalition will redress this situation and put the book printing industry on a more competitive footing:

- A new *Printing Industry Competitiveness Scheme* will be introduced to assist the book printing industry.
- The scheme, to operate from 1 January 1999, will compensate book printers for the cost of duty on paper inputs. It is estimated that the scheme will yield a benefit of \$4.4 million a year to printers.

Shipbuilding Industry

Australia's shipbuilding industry is assisted by a bounty of 5 per cent on the value of eligible production.

To help safeguard the immediate future of Australia's shipbuilding industry the Government already has extended the shipbuilding bounty from 1 January 1998 until 30 June 1999.

In January 1998, the Coalition commissioned a review of the industry which recommended the Government should continue to support the industry until the end of 2000, when subsidies for competing European shipbuilding interests are phased out.

The Review found that advances in technology and design had allowed the Australian industry to become a leading supplier of fast ferries to the world. However, the threat of competition from larger overseas shipyards is increasing, as they catch up in terms of design and quality. Continued innovation and well-targeted research and development needed to renew Australia's competitive advantage.

The Federal Coalition endorses the findings of the Review and will implement its recommendations in full. In particular:

- A re-elected Coalition Government will extend the shipbuilding bounty from 1 July 1999 until 31 December 2000, at a rate of 3 per cent. For a vessel to be eligible for the bounty, final contracts will

need to be in place before 31 December 2000 and it will have to be delivered by 31 December 2003; and

- The Coalition will introduce a new *Shipbuilding Innovation Scheme* to encourage stronger product research and development and design innovation. The scheme will provide assistance on a dollar-for-dollar basis, up to a maximum of 2 per cent of production costs.

Combined, these measures will provide assistance to the industry worth around \$68 million over four years. The cost of the new *Shipbuilding Innovation Scheme*, estimated at \$40 million over four years, will be absorbed within the \$1 billion funding for innovation provided in the Government's *Investing for Growth* industry policy statement, announced last December.

Information Technology

Information technology plays a vital role in boosting Australia's competitive strengths. It is essential that Australian business not only has access to leading edge information technologies, but that we continue to encourage the development of a strong domestic information technology industry.

The Coalition has established an *Information Industries Action Agenda* to facilitate the more rapid development of a domestic industry base in software, information technology services and manufacturing. Key areas of priority include:

- access to capital;
- formation and protection of intellectual property;
- commitment to quality;
- developing global scale;
- orientation towards global markets; and fostering a domestic industry environment that strengthens competitiveness, jobs and growth.

The Coalition has provided funding of \$28 million over four year to support the Action Agenda. This funding is being used to develop:

- a national network of software engineering quality centres to provide both software companies and the industry at large with access to the latest software engineering technology; and
- new testing and conformance infrastructure to ensure that Australian information technology firms have access to appropriate test-bed facilities for their products.

In addition, we have significantly reduced input costs for domestic industry by eliminating unnecessary tariffs on information technology inputs. This measure will save the industry around \$80 million in reduced input costs over 18 months.

Information technology firms also currently benefit from almost 30 per cent of grant funding allocated under the Coalition's new *R&D Start* program. They are a key target for investment under our new Innovation Investment Funds program which provides start up capital for new high-technology Australian firms.

We have established a new Information Industries Consultative Group to oversight development of the Action Agenda and to advise on the implementation of strategies for growth.

The Coalition will move quickly to convene this group after the election and will ensure that it fulfills its role as a high-level source of advice to Government.

The Coalition also will strengthen its commitment to the development of a stronger domestic information technology industry by appointing a new *Information Industries Investment Coordinator*, located in *Invest Australia*.

The *Information Industries Investment Coordinator* will head a strategic focus within *Invest Australia* to develop and attract new investment in the information technology industries in Australia. A key element of this strategy will be a focus on maximising opportunities for the development of home-grown Australian information technology firms.

Pharmaceutical Industry

The Coalition has developed the new *Pharmaceutical Industry*

Investment Program, a \$300 million program to maintain the incentive to manufacture pharmaceutical products in Australia.

The Coalition has also strengthened protection for intellectual property by providing extended patent terms for pharmaceutical products.

We have established a new *Pharmaceutical Industry Working Group* to provide a mechanism for consultation between the industry and Government. The aim of the Working Group will be to encourage an environment conducive to stronger investment in the development and manufacture of safe and cost-effective medicines in Australia.

Automotive Industry

The Coalition is implementing a suite of measures to secure the future of Australia's car industry. The measures encourage research and development, investment and production, helping to maintain and create new employment opportunities.

Our plan for the car industry has been developed in consultation with industry. It has received strong endorsement from all parts of the industry as a strategy that will encourage new investment and secure jobs for the future.

The centrepiece of our strategy is the new *Automotive Competitiveness and Investment Scheme (ACIS)*, which will provide assistance worth up to \$2 billion over five years for car makers and producers of automotive components. Other measures include:

- Continued reform of automotive tariffs. Phasing of tariffs on passenger motor vehicles will continue from the current level of 20 per cent to 15 per cent by 1 January 2000. Tariffs will remain at that level until 1 January 2005, at which time a further reduction to 10 per cent will be implemented.
- Retention of the duty-free allowance.
- A \$20 million *Automotive Market Access and Development Strategy*, including the creation of an Automotive Trade Council, and the appointment of a special automotive envoy to secure improved access to international automotive markets.

- The Coalition reaffirms its commitment to implement legislation giving effect to the new *Automotive Competitiveness and Investment Scheme*.
- Legislation has already been introduced and is awaiting debate in the House of Representatives.

Textiles, Clothing and Footwear Industries

The Coalition's policies will secure investment in Australia's textile, clothing and footwear (TCF) industries beyond 2000:

The *TCF Strategic Investment Program* - a five year, \$700 million program to encourage renewed investment in all sectors of the industry. The program also provides assistance to support industry reconfiguration and investment on a regional basis.

- Legislation for the *TCF Strategic Investment Program* will be introduced as a priority after the election.
- Continued reform of TCF tariffs to 2000. Further reductions will be implemented from 1 January 2005.
- A *TCF Market Development Program*, providing \$12.5 million to increase the export capability of the industry.
- Expanded *Overseas Assembly Provisions* to encourage use of Australian textiles in the manufacture of clothing by allowing duty free entry for Australian textile content.
- Funding of \$10 million to develop centres of excellence in TCF training:
- Specific *Action Agendas* to build sectoral competitiveness in the wool, cotton, and leather processing industries and in the clothing and fashion industry.

Part 2 – Creating Smarter Jobs and Industries

A An Investment in Knowledge

There is a strong linkage between advances in living standards and the ability of an economy to harness advances in knowledge.

The extent to which this occurs in Australia is governed by our *national system of innovation*. This encompasses the linkages between individual firms, research and educational institutions, government support mechanisms and industry as a whole.

Australia is increasingly becoming a knowledge-based economy. The level and quality of our investments in research and education and the effectiveness of our institutions for developing, transferring and applying knowledge are vital for sustained economic growth.

(i) Setting the Agenda for the Future

Australia has strengths in many of the elements of an effective national system of innovation.

Australia's education system is internationally renowned.

We have a strong research base underpinned by world-class tertiary institutions and public sector research agencies like the Commonwealth Scientific and Industrial Research Organisation.

Australia has a strong and effective intellectual property system.

Despite these strengths, there are a number of areas where an increased focus is required, including:

- The level of spending on research and development by business.
- The ability of smaller companies to commercialise research outputs is often constrained by lack of capital and necessary expertise.
- The rate of uptake of leading-edge technology by Australian firms, particularly small and medium sized enterprises, is less rapid than in many other leading industrialised nations.

The Coalition will continue to encourage Australian industry to strengthen its competitive advantage through innovation.

A detailed stocktake and evaluation of Australia's national system of innovation is required if we are to set the agenda for the future and develop policies to promote higher living standards:

- The Coalition will jointly sponsor a *National Innovation Summit* to be conducted in the first half of 1999.
- The summit will bring together representatives from Government, industry, academia and public sector research institutions to develop a strategy to strengthen Australia's national system of innovation.

The Government will also undertake a preparatory study with business to better identify the contribution that investment in knowledge-based activity makes to economic growth.

(ii) Extending Support for Business Innovation

The Coalition has made support for business innovation a central focus of its industry policy. Assistance is directed toward three key objectives:

- promoting stronger business research and development;
- improving commercialisation of research outcomes; and
- encouraging rapid uptake of new technologies by Australian business.

A central element in the Coalition's framework of support for business innovation is the research and development tax concession.

At 125 per cent Australia's research and development tax concession is one of the strongest incentives for business innovation among industrialised countries.

Following consultation with industry, we have introduced measures to improve access, reduce compliance costs, and streamline the administration of the concession.

The Coalition recognises the significance of the tax concession as an incentive to encourage a stronger focus on research and development by business.

- The Coalition will maintain the research and development tax concession at its current rate of 125 per cent.
- We will examine ways to maintain effective support for business research and development as part of the consultative process for

business tax reform.

In addition, the Coalition has committed \$1 billion dollars over the next four years to directly support business innovation.

Most of this assistance will be for applied business research and development through the new *R&D Start* program.

The *R&D Start* program complements assistance provided through the 125 per cent R&D tax concession. An additional \$556 million funding for *R&D Start* program was announced in *Investing for Growth*, bringing total funding for the program to \$739 million over the next four years. The program now comprises three main elements:

- *Core Start*: provides assistance of up to 50 per cent of project cost for smaller companies through grants for research projects and loans to assist early commercialisation of technological innovation. Assistance provided under this element of the program is equivalent to a 189 per cent tax concession. *Core Start* is being expanded to increase the number of small businesses that can access the program.
- *Start Plus*: provides grants up to 20 per cent of project costs for larger Australian companies with group turnover of \$50 million a year or more to undertake research and development projects. If companies also are receiving the general tax concession, this equates to an after-tax rate of assistance equivalent to a 150 per cent tax concession.
- *Start Premium*: offers companies additional support, on a competitive basis, to 'top up' assistance provided under *Core Start* and *Start Plus*. Under this element companies can access assistance equivalent to a 200 per cent tax concession.

The Coalition will ensure long-term certainty about support offered by programs like *R&D Start*:

- Since the announcement of increased support in *Investing for Growth*, the Coalition has agreed to provide another \$338 million for the *R&D Start* program beyond 2001-02.
- These funds build upon the support announced in *Investing for Growth* and ensure that participants will be able to enter into contractual arrangements over a number of years and that the available

funds will be spent on schedule.

B Encouraging Capital for Growth

There are countless stories of Australian ideas and inventions being sold overseas. In the past, the ability of small firms to commercialise new ideas and products in Australia often has been inhibited by the lack of a well-developed venture capital market in Australia.

This 'market failure' can, in part, be attributed to several factors including:

- the lack of market infrastructure to bring prospective investors, venture capitalists and small business together;
- a reluctance by major investment funds in Australia to venture into high-risk/high return investments; and
- the need for improved understanding by management of the financial requirements of a growing and innovative new business.

The Coalition will encourage the development of a stronger venture capital market in Australia, providing improved access to capital for growth for small business.

(i) Increasing Investment Readiness

One obstacle to the successful commercialisation of Australian research and development is the inability of many small companies to prepare themselves adequately before seeking the interest of external investors.

- The Coalition will support a new *Investment Ready* program to strengthen information available to emerging early stage companies about the requirements of potential investors.
- Funding of up to \$5 million a year over four years will be provided from existing portfolio funding.

(ii) Educating Investors

Another impediment to the development of a stronger venture capital market is the conservative attitude of many funds.

Many investor funds are still struggling to understand the potential of venture capital.

- The Coalition will initiate a new *Venture Awareness* program to establish a set of investment benchmarks for Australian venture capital and to help Australian investment funds to improve their evaluation of venture capital investments.

Funding of \$1 million a year over three years will be found from existing portfolio funding.

(iii) Strengthening Market Infrastructure

The Coalition is pursuing a number of initiatives to develop the stronger market infrastructure for venture capital. These include the new *Innovation Investment Funds* program and the ongoing *Pooled Development Funds* program.

Innovation Investment Funds

The Coalition established the *Innovation Investment Funds* program in 1997 to encourage greater availability of high-risk venture capital for innovative small firms developing new technologies.

Under the program, government and private sector funding is pooled in a series of separately managed funds to support early-stage venture capital investments.

In the first phase of the program, five funds have been licensed to participate. When fully invested these funds are expected to inject almost \$200 million into the Australian venture capital market.

The Coalition provided an additional \$43 million in *Investing for Growth* to support a second round of Innovation Investment Funds over the next four years. The Coalition has since agreed to extend funding over a longer period.

- The Coalition will provide a total of \$100 million over the period for the second round of *Innovation Investment Funds*.
- This will involve the contribution of an additional \$57 million over and above that already announced in *Investing for Growth*.

Expressions of interest for the second tranche of fund managers should be sought in late 1998 or early 1999.

Pooled Development Funds

The *Pooled Development Funds* program also seeks to increase patient equity capital for small business.

The program is focussed on smaller firms and provides a concessional rate of tax (15 per cent) on income and capital gains to encourage stronger investment

The program has raised around \$270 million since its inception in 1992 and more than half of this money already has been invested. The program has grown strongly in the past two years.

In the 1996 campaign the Coalition promised to examine ways to encourage capital raising by registered funds.

A review of the program has now been completed and we propose to introduce a number of improvements:

- Removal of the current restrictions, which limit ownership to 30 per cent of a pooled development fund, for regulated Australian superannuation funds and similar overseas pension funds and limited partnerships of such funds.
- Permit pooled development funds to buy back their own shares subject only to corporations law and allow funds to return capital to their shareholders under specified conditions.
- Permit funds to make loans to equity investees, including through investment in convertible notes, subject to a maximum 20 per cent of the value of their capital base.
- Permit the merger of pooled development funds where no cash consideration is paid to shareholders as part of the merger, other than a genuine dividend.

C Developing Industries of the Future

The Coalition is determined to promote the development of smart

industries that will create better-paid and more fulfilling jobs; deliver higher living standards; and lead to a stronger Australia.

(i) Strengthening the Partnership between Industry and Government

The Coalition is building a durable partnership between industry and Government through its program of *Action Agendas*.

Action Agendas can be used to clarify the balance of responsibilities between industry and the Government, enabling both parties to overcome impediments to growth. The objective of must be to identify opportunities to move to a higher growth path.

Action Agendas are already being developed and implemented in a number of sectors, including:

- tourism;

- textiles, clothing and footwear;

- information industries;

- financial services;

- automotive;

- plastics and chemicals;

- building and construction;

- agri-food;

- furniture;

- renewable energy; and

- LNG and downstream petroleum.

For an *Action Agenda* to succeed industry must be strongly engaged. For this reason, they are established only where industries demonstrate high levels of commitment to change.

The Government's role is to provide support to help implement change and assist with specific policy actions.

The Coalition will strengthen the partnership between industry and Government.

- We will work with industry to accelerate outcomes and expand Action Agendas to new sectors, including:
 - printing industries;
 - heavy engineering and infrastructure;
 - biotechnology; and
 - sport and recreation.

(ii) Australian Industry 2010

We must ensure that Australian industry is well placed to take advantage of the opportunities for growth that lie ahead. We must ensure that Australian industry is looking ahead, preparing itself for the challenges at the end of the next decade, not just those that lie ahead over the next few years.

- The Coalition will introduce *Australian Industry 2010* comprising three components:

Australian Industrial Structure Project

We will commission a major study of Australian industrial structure to build on the progress that is being made to identify opportunities for growth at a sectoral level through Action Agendas.

Globalisation and technological change are contributing to structural change in the Australian economy. The study will seek a better understanding of their influence on Australia's industrial structure over the period to 2010 and beyond.

Industry Outcomes and Objectives Statement

We will prepare an annual *Industry Outcomes and Objectives Statement* reviewing the performance of key industry sectors, reporting on the effect of industry programs, and stating priorities for industry policy. The statement will complement the existing Trade Outcomes and Objectives Statement.

National Industry Outlook Conference

We will institute a new annual *National Industry Outlook Conference* bringing together academic, business and government analysts to promote ideas and debate on directions for Australia's manufacturing and services industries.