

Spotlight on Spending

Agribusiness

The Government has shown clear support for agribusinesses with close to \$1bn of funding that will enhance the sector across a breadth of areas targeted.

Key takeaways

Biodiversity and biosecurity measures

\$414.5m cash boost to protect agriculture from overseas pests and disease including:

- \$98.6m for critical frontline biosecurity measures
- \$67.4m to boost Australia's biosecurity preparedness and response
- \$248.5m across a number of areas such as frontline screening, pest and disease identification at the border, research and improved field tools; and managing biosecurity risks in incoming international mail.

Infrastructure and regional communities

- \$5bn investment in freight and regional roads across every state and territory which will address the cost of getting produce from farm to market
- *Building Better Regions Fund* (BBRF) expanded by further \$256.5m to \$1.25bn for shovel-ready infrastructural projects
- \$84.8m for *Regional Connectivity Program* to support the delivery of reliable, affordable and innovative digital services and technologies in regional and remote Australia
- \$6.1m over two years from 2021-22 to establish the *Rebuilding Regional Communities* program to assist community organisations and small enterprises in regional Australia to recover from the impacts of COVID-19

Innovation

\$34.8m for investment in agriculture innovation, including developing investment strategies around key priority areas, supporting existing forestry innovation hubs and programs to boost productivity and competitiveness of the fisheries industry.

Market access and trade

To support trade and production in agricultural markets:

- \$72.7m to support food and agriculture exporters to maintain, diversify or expand their export markets (*Agri-Business Expansion Initiative*)
- \$15m to enhance trade and market access
- \$9m to help farmers to gain improved access to safe and effective agricultural and veterinary chemicals
- \$5.4m for projects aimed at improving transparency within the supermarket supply chain.

Agricultural workforce

\$25.2m to create programs attracting Australians to agriculture, with a focus on school leavers and young people
Additional flexibility for temporary and student visa holders to work in the agriculture sector.

Building Water Infrastructure

Helping farmers increase productivity with \$258m allocated to establishing small-scale water infrastructure and to fund

development of new dams and irrigation projects, along with \$25m to extend the *On-Farm Emergency Water Infrastructure Rebate Scheme*.

Future Drought Fund

Additional \$172.5m added to the *Future Drought Fund* to provide secure, continuous funding for drought resilience initiatives to help Australian farms and communities prepare for impacts of drought.

Relevant tax measures

Extension of Temporary Full Expensing and Loss carry-back measures to June 2023 to allow immediate tax deductions for acquisitions of business assets and retrospective application of company losses.

Other measures supporting the Agri industry

- \$4.3m to support agricultural showmen and women for costs associated with their participation at agricultural shows and to provide a moratorium on Showmen's Guild fees for 2021
- Tax support for small brewers and distillers by increasing the *Excise Refund Scheme* cap to \$350,000
- Income tax exemption allowed for qualifying grants made to primary producers and small businesses affected by the storms and floods
- ATO concierge service for foreign investors to streamline tax guidance or rulings to help expedite inbound investment.



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Opportunities

The extension of tax measures for expensing asset costs allow for a measured approach to business investment. This provides time for agribusinesses to properly plan their capex spend over the next two financial years.

Agribusiness will see either direct or indirect support from the Government from a combination of the schemes. These measures provide opportunities for agribusinesses to improve efficiencies, resilience and competitiveness.

Significant spend on national infrastructure will provide opportunities for strengthened and more efficient supply chains.

Did the Budget put the spotlight on what you wanted?

Support and investment in national infrastructure, regional communities and biosecurity all show a clear understanding by the Government in enhancing our regions to support critical agribusiness.

Measures to enhance preparedness and resilience for future natural disasters, pests and other biosecurity risks show a willingness from the Government to protect one of our key economic resources.

Only limited funding was provided for digital connectivity in regional areas. We will need to wait and see whether this has enough of an impact or if more will need to be done.

We would have liked to see measures that do more to help drive temporary or younger workers into regional communities to supplement the lack of seasonal workers.

Opportunities for infrastructure, innovation and investment are critical to our nation's success. Reach out to our experts for assistance navigating the implications and opportunities this Budget presents for you, your business and your industry.



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Our review



4 / 5 – Strong support but missing bits

The sector should be relatively happy with the significant investment that will support agribusinesses resilience, competitiveness and efficiency.