

Spotlight on Spending

R&D, Grants and Incentives

Following the Stimulus Budget of October last year, the Government has taken the foot off the gas.

Key takeaways

- No updates have been announced for the R&D Tax Incentive since its reform (which is due to commence for income years starting 1 July 2021). This is disappointing for software companies and small businesses who were hoping for greater clarity regarding their eligibility for the program.
- No new funding support has been announced for Start-Ups, Incubators, or Young Entrepreneurs – in fact the *Incubator Support Program* and *Business Research and Innovation Initiative* will both see reduced funding in the future!
- The government has elected to focus on continuing to support the programs announced last year, including the *Modern Manufacturing Initiative*, *Building Better Regions Fund*, and *Digital Business Plan*
- Whilst the Government has called this the 'Budget for Women', there has been little shown of this by way of funding opportunities. *The Female Founders Initiative* - announced in last year's budget – has not been continued or referenced

Opportunities

Multiple programs have been announced, however whether these will lead to business grant funding is still to be seen. Large-scale programs (such as the \$1.3bn *Modern Manufacturing Initiative*) announced in previous years remain largely unchanged.

Some newly announced opportunities include:

- \$26.4m over four years to support Australian businesses to take up energy efficient technology and practices
- \$33.7m over four years for businesses to work with government to develop novel AI solutions
- A concessional 17% tax rate for biomedical companies through the newly-announced *Patent Box* program
- \$1.2bn co-investment facility over ten years for the development of clean energy and hydrogen technologies and hubs
- Extension of the full depreciation of eligible assets until 30 June 2023.

Did the Budget put the spotlight on what you wanted?

The Government has announced significant investments into clean energy, health, and infrastructure, however businesses that fall outside these industries have seen little to no new support. This will likely disappoint many businesses who will require Government assistance following the closure of the JobKeeper program.

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.

Our review



1/5 – Audience left disappointed

Following last year's incredibly exciting budget, the Government has taken a more measured approach toward 2021/2022. In particular, small-scale innovators, software companies and exporters might have hoped for more support.



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