



R&D Tax Incentive & Government Grants

Agribusiness



R&D Tax Incentive Summary

The R&D Tax Incentive (RDTI) remains the Federal Government's primary program to support Australian industry based R&D.

The structural changes to the RDTI announced as part of the October 2020 Budget come into effect for income years commencing on or after 1 July 2021 and provide **net benefit of up to 18.5%**.

Almost all claimants will be better off and larger high R&D intensity companies may see their benefit **increase by up to 90%**.

R&D Intensity

Eligible R&D expenditure as a proportion of total company expenditure.

Intensity Premium

The R&D tax offset rate above the company tax rate, comprising of two tiers for larger companies.

How will my R&D tax offset change?

For income years commencing on or after 1 July 2021*, a variable intensity premium will enable access to higher R&D tax offsets for larger companies incurring more than 2% R&D expenditure. For smaller companies, the R&D premium will increase to 18.5%.

Larger Companies

For companies with aggregated turnover of \$20 million or more, the intensity premium will scale upwards based on R&D intensity.

8.5%

Intensity premium on expenditure **up to 2% R&D intensity**

16.5%

Intensity premium on expenditure **over 2% R&D intensity**

Smaller companies

For companies with aggregated turnover below \$20 million, the R&D premium will be fixed.

18.5%

R&D premium

43.5%

Maximum cash refund

*Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020

Government grants for Food and Agribusiness

The Federal Government's 2021-22 Budget includes a significant spend on Food and Agribusiness across a range of areas and industries as outlined below.

Initiative	Details
Biosecurity	<p>A new \$371 million biosecurity package strengthens Australia's ability to keep out exotic pests and diseases, and improves our ability to fight an outbreak. This includes:</p> <ul style="list-style-type: none"> • \$34.6 million for research and improved field tools to better understand how pests and diseases could enter the country, particularly in northern Australia • \$19.5 million to trial pre-border biosecurity screening technology on inbound and outbound passengers • \$96.8 million for the offshore treatment provider assurance program, and data and technology advancements to rapidly identify containers for intervention • \$25.5 million for modern technologies to improve the speed and accuracy of pest and disease identification at the border • \$31.2 million to improve management of biosecurity risks associated with incoming international mail, by automating workflow, modernising risk assessment capability and using 3D X-ray technology • \$67.4 million to support Australia's biosecurity preparedness and response capabilities, including delivery of a national scale preparedness exercise to stress-test the biosecurity system; building and maintaining a national surveillance information system on the national animal sector; operational diagnostic equipment for testing and molecular diagnostics; and epidemiological and economic modelling to support surveillance prioritisation.
Future Drought Fund	<ul style="list-style-type: none"> • \$172.5 million in additional funding for Future Drought Fund initiatives.
Trade and production in agricultural markets	<ul style="list-style-type: none"> • \$72.7 million to support food and agriculture exporters to maintain, diversify or expand their export markets through the Agri Business Expansion initiative • \$5.4 million to fund projects in collaboration with the perishable agriculture goods industry that improve market transparency in the sector.
Food Waste for Healthy Soils Fund	<ul style="list-style-type: none"> • \$59.8 million to deliver grants through a Food Waste for Healthy Soils Fund to enhance existing organic waste and processing infrastructure and make better use of this resource.
Agriculture biodiversity stewardship	<ul style="list-style-type: none"> • \$22.3 million to deliver a pilot program to protect and manage existing high value native vegetation • \$5.4 million to implement an Australian farm biodiversity certification scheme • \$4.4 million to establish a Biodiversity Trading Platform.
Employment	<ul style="list-style-type: none"> • \$10.1 million for a pilot AgUP program to co-fund industry initiatives that build skills and enhance career progression pathways • \$5.3 million for a pilot AgCAREERSTART program for school leavers to undertake farm placements • \$3.6 million to extend the Fair Farms program to support fair employment practices in the horticulture sector.
Forestry and fisheries industries	<ul style="list-style-type: none"> • \$37.5 million in existing loan funding through the Regional Investment Corporation (RIC) for Plantation Development Concessional Loans to encourage new plantation developments and the replanting of bushfire-damaged plantations.

Why KPMG

Accelerating Business Growth with confidence and efficiency



Specialist Knowledge

With one of Australia's largest team of government incentives specialists, KPMG's Accelerating Business Growth (ABG) group is highly experienced and offers resource flexibility, performance and efficiency.



In touch with regulators

We meet regularly with the ATO and AusIndustry to keep in touch with the latest guidance and requirements. Our experience and methods will help you navigate the complexities of the R&D Tax Incentive with confidence.



Claim preparation simplified

Our real time R&D identification and recording processes will facilitate the preparation of robust claims in a transparent and efficient way, capturing your eligible activities and costs with minimal disruption to your operations.



Not just R&D Tax

Our specialists take a holistic view of your business and the full range of government funding opportunities that align with your plans for the future. We provide strategic advice and hands-on assistance in preparing strong applications for grants and other discretionary funding.

Contact us to discuss funding opportunities available.



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