

Boost working capital and facilitate business growth

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ARE YOU

- **investing** in the growth of your business?
- **developing** new products, devices, processes, services or methodologies?
- **commercialising** new technologies?
- **exploring** opportunities to take your product, service, idea and business overseas?

Government Grants can be a great way to boost working capital and facilitate the growth of your business. Various grants are available at local, state and federal levels (including industry associations and universities etc) and across a broad range of industry sectors.

Whilst various programs exist, the following may help to defray the cost of new product development, commercialisation and exportation and may be of significant benefit to you.

The R&D Tax Incentive

The R&D Tax Incentive is a broad based program to support Australian innovation and competitiveness by providing tax offsets for eligible expenditure incurred to undertake experimental activities to generate new knowledge to develop a new or improved product, material, device, process, service or methodology.

Two Key Components of the Program

1. A 43.5% refundable tax offset

Offers up to 43.5% refundable tax offset on eligible R&D activities, for businesses that have an annual turnover of less than \$20 million, and are not controlled by a tax-exempt entity.

2. A 38.5% non-refundable tax offset

Equivalent to 128 per cent deduction for eligible entities with a turn over above \$20 million (tax loss entities may be able to carry forward its offset to future income years).

What Can You Claim?



All direct costs associated with 'eligible' R&D activities including salaries and wages, contractors, costs of testing and trials, and a reasonable apportionment of overheads for the premises to which the R&D activities are carried out.

Critical to making claims is maintaining evidence and records of the new knowledge that is being generated and the process in which activities are being undertaken. Applicants must also demonstrate the current 'state of the art' and the level of knowledge currently available in the market to justify the 'new knowledge' they seek to create.

To claim, companies must register their R&D activities each income year in which the activities are undertaken and no later than 10 months after the company's end of financial year – meaning by 30 April preceding a 30 June year end, or by 31 October preceding a 31 December year end.

Export Market Development Grant



Are you marketing or promoting Australian products or services overseas? Have you incurred expenses for undertaking overseas visits, attending trade shows, engaging marketing consultants, providing free samples, or costs associated with International IP protection? If so, you may be eligible for a Grant.

The Export Market Development Grant (EMDG) scheme is the Australian Government's principal program to support Australian export and is designed to help defray the costs of promoting and marketing Australian products and services overseas.

The program provides reimbursement of approximately 50% of the eligible expenditure incurred to a maximum of \$150,000 per annum. Applicants must be Australian resident entities with a total annual turnover of less than A\$50 million and must have spent at least \$15,000 in overseas marketing.

It supports a wide range of industry sectors and products, including inbound tourism and the export of intellectual property and know-how outside of Australia.

What Can You Claim?

The types of expenses eligible under the scheme (to the extent they meet the eligibility criteria) include:

- > Overseas representatives (including salaries, consultant fees and office costs)
- > Marketing visits (airfares, transport, daily allowance)
- > Free samples (which may include products, units machine software and prototypes)
- > Trade shows and seminars
- > Promotional literature and advertising (may include an apportionment of web hosting cost and translation fees)
- > Cost of international patents
- > Cost of bringing overseas buyers to Australia for demonstration

Applications must be submitted with Austrade by 30 November proceeding a 30 June year end where, first time applicants can combine two years of eligible expenses in the first application.

Entrepreneurs' Infrastructure Programme

The Entrepreneurs' Infrastructure Programme (EIP) is the Federal Government's \$484.2 million initiative to support Australian businesses to improve competitiveness and commercialise ideas.

Commencing 1 July 2014, the programme replaces the former Enterprize Connect and Commercialisation Australia Programmes, offering three programme streams.

Each of these streams have certain eligibility criteria which must be met.

Programme Streams

- > **Accelerating Commercialisation** – providing up to \$1 million matched \$1:\$1 grant funding to support the commercialisation of a novel product, process or service.
- > **Business Management** – providing support for business improvement and growth across four elements including Business Evaluation, Supply Chain Facilitation, Business Growth Services, and Business Growth Grants (up to \$20,000) to engage consultants to facilitate and implement growth strategies.
- > **Innovation Connections** – Access to advisers who can assess a business' research needs and then direct them to an appropriate research institution. Matched funding up to \$50,000 to support the cost of bringing research capability into the business.

Our Promise To You

Our team has considerable experience and success in maximising R&D Tax claims, securing Government Grants Funding and facilitating Investment Capital for businesses across multiple industries including energy and resources, mining, engineering and construction, manufacturing, FMCG, ICT, agricultural, biotechnology and food science. We appreciate all opportunities for discussion around these and other Government Grant programs. Every initial meeting (i.e. to help establish eligibility, or merely to explore which program may be relevant), is provided free of charge.

Contact us

to find out more or to discuss your eligibility under the program.

