



Update on Government Grants

July 2010

radbe.com.au



Agenda

1. Introduction to Radbe Consulting
2. R and D Tax Concession
3. Commercialisation Australia
4. Export Market Development Grant
5. Other Grant programs
6. Questions



Introduction to Radbe Consulting

- One of the largest independent Grants consulting firms in QLD
- Four consultants with a combined experience of over 40 years
- Clients in QLD, NT, NSW, Vic and Tas
- Offices in Brisbane, Melbourne and SCIC

R and D Tax Concession

- Eligible R&D can be found where companies are creating new or improved materials, products, devices, processes or services
- Reimbursement basis – not a competitive process
- Retrospective application process

R and D Tax Concession

- R&D activities must contain 'innovation', or 'high levels of technical risk'
- The activities can range from developing brand new technology to incremental improvements to existing products or processes
- Supporting activities may also be eligible



R and D Tax Concession

The calculation is as follows:

Eligible R&D expenditure	\$100,000
Additional 25% deduction	<u>\$ 25,000</u>
Total	\$125,000

If profitable, tax reduction of\$ 7,500

If in loss, offset/cash amount\$ 37,500



Commercialisation Australia

- Announced as a replacement for Commercial Ready COMET
- Budget of \$196m over 4 years
- Applications opened on 1 January 2010



Commercialisation Australia

Categories

- Skills and knowledge (up to \$50,000 for specialist advice and services)
- Up to \$200,000 to hire experienced executives
- Proof of concept (grants of \$50,000 to \$250,000, to prove the commercial viability of the business model or idea for a product, process or service)
- Early stage commercialisation (repayable grants of \$250,000 to \$2m, to develop the new product, process or service to the point where it can be taken to market)



Commercialisation Australia

Total of \$9,673,678 has been awarded

State	Percentage	Value
NSW	47.30%	\$4,575,862
VIC	25.37%	\$2,453,742
ACT	18.72%	\$1,810,798
QLD	5.51%	\$553,039
TAS	1.75%	\$168,980
WA	1.36%	\$131,257



Commercialisation Australia

Total of \$9,673,678 has been awarded

Category	Percentage	Value
Skills and Knowledge	1.90%	\$184,000
Experienced Executive	2.07%	\$200,000
Proof of Concept	6.17%	\$596,914
Early Stage Commercialisation	89.86%	\$8,692,764



Commercialisation Australia

Total of \$9,673,678 has been awarded

Category	Percentage	Value
Medical	48.12%	\$4,654,842
Tourism	0.41%	\$40,000
Manufacturing	6.84%	\$661,559
Agriculture	4.20%	\$406,480
ITC	40.43%	\$3,910,797



Export Market Development Grant 2009/10

- Budget \$150m
- Up to 8 applications
- Max grant - \$200,000
- Min expenditure threshold - \$10,000
- Eligible IP expenditure - unlimited



Export Market Development Grant 2010/11

- Budget \$150m
- Up to 7 applications
- Max grant - \$150,000
- Min expenditure threshold - \$20,000
- Eligible IP expenditure - limited to \$50,000



Export Market Development Grant Categories

- Overseas representation
- Marketing representatives
- Marketing visits
- Communication
- Free samples



Export Market Development Grant Categories

- Trade shows
- Promotional literature and advertising
- Overseas buyers
- Intellectual property

Export Market Development Grant

Common mistakes

- Claiming sales to and expenses for New Zealand
- Claiming travel expenses for a spouse/close family member who doesn't work in the business
- Claiming for trips that are not promotional or are not apportioned for non promotional travel

Export Market Development Grant

Common mistakes

- Not principal in the transaction
- No apportionment for expenses of the overseas representative where OR also does other stuff
- Claiming expenses paid after 30 June/set off not documented

Export Market Development Grant

Common mistakes

- Expenses not reflected in the AFS/correct AFS if group of companies
- Not understanding S94 implications
- Sales claimed by invoice not receipt
- Claiming commissions paid to Overseas Reps



Other Grant Programs

- Local
- State
- Federal



Questions?

Contact details

Erik Anderson / Radbe Consulting

erik@radbe.com.au

07 3216 6242

0415 874 524