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# Winery Engineering Association Conference – Barossa Valley 25 June, 2009

## AusIndustry Presentation

Mark Arnold, Regional Manager, Northern SA

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# AusIndustry

- Business program "delivery" division of Commonwealth Department of Innovation, Industry, Science & Research
- Handles about 30 business programs, tax and duty concessions, venture capital programs, support for manufacturing, innovation grants, small business support, etc.  Approx 10,000 small & large business customers annually
- Overall aim: help build international competitiveness of Australian industry

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# R&D Tax Concession

Government initiative to increase and intensify business research and development conducted in Australia

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# R&D Tax Concession

- Standard 125% deduction for expenditure on eligible research and development work conducted in Australia.  "Entitlement" program
- Premium offering up to 175% deduction in some cases
- Tax offset available to some businesses

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# R&D for the Tax Concession

Core activities :

- Systematic, investigative and experimental

- Involving innovation or high levels of technical risk

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# R&D Tax Concession

- What is the benefit?

- For every $100,000 of eligible R&D expenditure, the company gets a tax deduction of $125,000, and saves $7,500 (at a company income tax rate of 30%).

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# New R&D Tax Credit

## From 2010-11 income year

- A 45% refundable tax credit for firms with group turnover up to $20 million per year (equivalent to 150% tax deduction)
- A 40% non-refundable tax credit for all other firms.
- Regardless of where the underlying intellectual property is held
- Interim measure for 2009-10 income year
- R&D expenditure cap in the existing Tax Concession offset lifted to $2 million

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# Benefits of the new R&D Tax Credit

- All firms
- Increased certainty & simplicity compared to current program
- Credit is consistent with international practice
- Increased base rate of assistance

- Smaller firms
- Doubles base rate of assistance
- Greater access to cash refunds

- Key Issues/Tasks
- Consultation and implementation
- Partnership with AusIndustry, Treasury & ATO

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# Clean Business Australia

- In 2008 Federal Budget $240 million announced for Clean Business Australia

- Three elements:
  - Climate Ready Program
  - Green Building Fund
  - Re-tooling for Climate Change

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# Climate Ready Program

- $75 million over 4 years, to June 2012 to address impacts of climate change
- Competitive grants from $50K - $5m for companies , innovative products, processes and services
- Demonstrated capacity to match $ for $
- Ownership, access or beneficial use of intellectual property is needed to carry out and commercialise the project

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# Climate Ready Examples

Examples (only some) of innovations and technologies that might be funded:

- Water recycling, waste recovery, small scale renewable energy, reducing energy use of appliances, or industrial processes
- Emissions & power use monitoring
- Using biotechnology or nanotechnology to address the effects of climate change on humans or the environment
- Information systems for businesses or consumers to compare the carbon footprints of different activities

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# Climate Ready - examples

**SA Cavitus Pty Ltd $620,919 - High-power ultrasonics systems for the global wine industry**

The project will use High Power Ultrasonics to develop a grape colour and flavour extraction machine and a grape fermentation enhancement machine. Adoption of the machines is expected to lead to savings in capital equipment requirements and electricity and water usage.

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# Commercial Ready example

Southern Cross Cooperage Pty Ltd - now Diverse Barrel Solutions.

$1,295,748 for Advanced automated cooperage technology platform. A system to rejuvenate wine barrels to extend their life from 5 to 8 years.

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# Application Process

- Current round closes on;
  - 25 June 2009 (today)

- Probably no further rounds, but watch this space for similar programs

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# Re-tooling for Climate Change

## Overview and Application

## Round 1 September 2008

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# What is the benefit?

- Grants from $10,000 to $500,000 are available
- Commonwealth will pay up to one half of the total cost
- Projects up to 18 months duration

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# Key program messages

- Target is **small & medium sized** companies undertaking **manufacturing in Australia**
- Aims to help them reduce their **environmental footprint**
- Support is for projects that improve **energy and/or water efficiency** of their **production processes**
- Program is **competitive** and **merit based**.

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# Project eligibility

- Projects must aim to improve the energy and/or water efficiency of the **production process**
- Project must be undertaken by a company that is **manufacturing in Australia**
- Projects could be drawn from **any manufacturing sub-sector (including wine-making)**

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# Merit Criteria

- Potential for reduction of environmental footprint
- Scope and impact of process improvement
- Organisational capacity/capability to undertake the project

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# Possible projects

- Cogeneration plant that captures waste energy – used to produce electricity on site
- Storm water capture and water recycling for use in production
- Process re-engineering to use more energy efficient materials and tools.

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# Activities not supported

- Routine replacement or upgrade as part of normal plant life cycle
- New production facilities or capacity expansion projects
- Non-production related changes to energy/water use of business

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# Application Process

- Apply by 5pm local time on the closing date for any round
  - Round 4 - **open till 24 August 2009**
  - Round 5 **- open till 30 November 2009**
  - Round 6 **- open till 22 March 2010**

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# Examples of Funded Projects (ReTooling for Climate Change)

1. **Tarac Technologies Pty Ltd , $147,533**

Biogas as a supplementary fuel for gas-fired boilers

The project will involve the implementation of a recommendation to re-use the methane gas generated from winery wastewater treatment, to offset natural gas currently used in the production process.

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# ReTooling for Climate Change - examples

2. A recent application from Rocland Estates which is not yet approved (and may not be). Application lodged in Round 3, which closed on June 1.

**Winery waste water purification and disinfection system for re-use of recycled water in the winery wash-down and other process requirements**

- a system incorporating; preliminary screening, coagulation, deep-bed multi-media sand filtration, followed by appropriate disinfection (ozonation and chlorination), capable of producing high quality water suitable for any use around and within the winery (including wash down of winery equipment).

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# ReTooling for Climate Change - examples

## 3. D'Arenberg Pty Ltd $82,433

Upgrading of insulation of bulk wine Storage Tanks. The project involves removing existing insulation from bulk wine storage tanks and replacing it with insulation which will provide a higher level of thermal insular efficiency. The company intends installing new "jacket cladding" to 67 tanks with a total volume of 1,097,200 litres.

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# More information

- Call Mark Arnold 8641 2563
- Call Adelaide office 8406 4700
- Call AusIndustry Hotline13 28 46

- Check the AusIndustry web site
  - www.ausindustry.gov.au

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