

UNLOCKING AUSTRALIA'S R&D POTENTIAL

Driving Australia's economic growth

R&D investment is one of the most direct pathways to achieving Australia's productivity objectives, but Australia lags peers



\$2.9B decline

in large business R&D over the last decade



Business R&D investment is **half the rate of OECD peers**

Large businesses are critical to the R&D ecosystem; anchoring innovation and generating spillover benefits

No OECD country achieves strong R&D performance without strong large business investment



48% of business R&D investment is from the top 5% R&DTI claiming companies



Alumni from top R&DTI companies have gone on to lead **1,800** other companies



However, Australia's R&D settings are not competitive with peers

12% higher costs

for R&D activities



Subsidies 30% lower

for large business R&D



Lower returns

on R&D-related income



Australia can capture the R&D opportunity through six targeted reforms

Simplify R&DTI rates

Incentivise R&D commercialisation

Remove the cap on R&DTI claims

Streamline R&DTI compliance

Encourage sector collaboration

Consolidate R&D grants

These reforms will drive a significant productivity boost for the Australian economy leading to



\$7B in additional annual GDP



\$5 returns for every \$1 of government expenditure



Budget neutral over the next 10 years