

# Government Grants and Incentives: Positioning Your Project for a Funding Boost

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## **ABSTRACT**

A significant and growing funding opportunity is available to critical minerals projects through government grants and the R&D Tax Incentive. Over the last 3 years, state and federal governments have awarded over \$100 million in grant funding to critical minerals projects and provided an estimated \$9 billion in tax offsets to Australian companies through the R&D Tax Incentive. Positioning for a share of this funding involves early identification of relevant programs, building a compelling case for funding and navigating technical pitfalls.

Grants provide targeted, non-dilutive funding without any repayment requirement. Successful applications demonstrate alignment with key intentions of the program and highlight broader benefits in other government focus areas such as technology development, job creation and support for economic growth in the regions. Collaboration with strategic international partners is a key theme currently, as Australia seeks to develop sovereign capabilities that complement those of key allies to form a renewable energy superpower.

After publicised scrutiny of R&D Tax Incentive claims caused companies to shy away from the program in the late 2010s, many in the resources industry are now returning to take advantage of the benefit. Cash refunds of 43.5% for smaller companies and tax offsets of 8.5% to 16.5% for larger companies are available on eligible expenditure through the non-competitive self-assessment program. New guidance from AusIndustry and the ATO have clarified eligibility requirements, providing confidence in claim benefits going forward. Technical requirements must be navigated with care, including record-keeping, expenditure tracking, the nature of contractual arrangements and exclusions for ordinary business activities and exploration.

With rising concern over the supply of materials needed to support the energy transition, and fluctuating commodity prices dampening economic incentives, we can expect further government funding to be channelled towards critical minerals projects. Prepare ahead to position your project for this funding boost.