

Lighting Council Australia
PO Box 1058, Hawthorn, VIC, 3122
Tel: +61 3 9818 5920
Mobile: +61 412 325 056
Email: beaston@lightingcouncil.com.au
Web: www.lightingcouncil.com.au
ACN 130 217 613



Media Release

Tuesday 22 September 2020

Lighting Council Australia urges the Morrison Government to drop R&D Tax Incentive Bill

Lighting Council Australia is urging the government to support Australian business and drop the Research and Development Tax Incentive Bill (2019). The Bill is currently under scrutiny by the Senate Economics Legislation Committee which is set to table its report after the federal budget on 12 October 2020 following being postponed several times.

The reforms are a misguided cost-cutting exercise rather than an attempt to improve R&D in Australia. The proposed bill will likely reduce the size of claims for many companies, retrospectively to the 2019-20 financial year.

The government's proposal represents significant cuts to the RDTI in excess of 1.8 Billion dollars. During a time in which Australian companies have already experienced a significant downturn due to COVID-19 restrictions, clawing back 1.8 Billion seems illogical.

Lighting Council Australia CEO, Richard Mulcahy stated "the lighting industry is a global market, and to remain competitive, our member companies make substantial investments in Research & Development in Australia by undertaking manufacturing and product development here. The changes proposed in the RDTI Bill will significantly disadvantage Australian manufacturers and are in sharp contrast to policy development internationally where other governments are putting more funds into their RDTI programs."

The federal government must be willing to utilise investment through the RDTI program in Australia as a mechanism to kickstart the economy in recovery from COVID-19 and recession. If not, manufacturing jobs will be lost to other economies offering better incentives.

The proposed bill, if passed, will act as a disincentive for many Australian companies to continue R&D activities in Australia, therefore, it should be dropped.

ENDS.

Enquiries: Brodie Easton 0412 325 056