

2020 Budget Bites

Agribusiness



Key takeaways and impact to your business

Instant Asset write-off

It was announced that businesses with global turnover up to \$5bn will be able to deduct the full cost of eligible depreciable assets of any value in the year they are installed.

The cost of improvements to existing eligible depreciable assets made during this period can also be fully deducted. This would include farming equipment like harvesters, and plant and equipment like new packaging equipment.

Certainty of water supply

A further \$50m to build on-farm dams, tanks and troughs will help enhance drought resilience on specific farming properties. This will provide certainty at the farm gate for our primary producers.

Significant funding of \$2bn has also been announced for water infrastructure including enhancements to Murray-Darling Basin and the Northern Australia Infrastructure Facility.

Boosting and facilitating agricultural exports

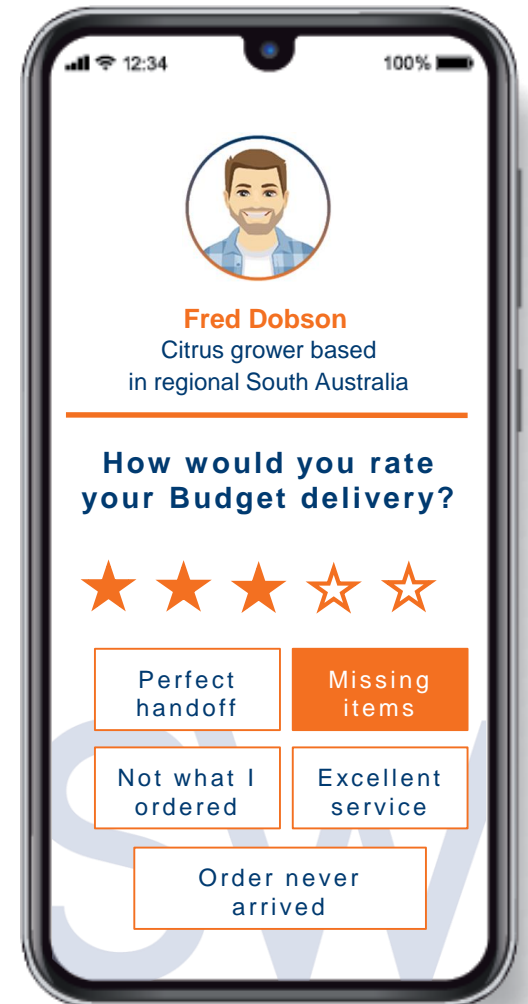
The Government has announced \$222m to be allocated new digital services platform so exporters can spend less time filling in forms and more time growing their businesses.

It is noted that the platform will reduce administrative time for exporters to overseas markets.

Further, Farmers will also have access to up-to-date information to help them make the most of Australia's free trade agreements.

Freight logistics and connectivity

- Rail, roads and ports – Additional \$1bn in funding for various
- Bushfire and drought relief - \$19.6m extension on current package and \$86m drought resilience hubs
- Regional connectivity \$30.3m
- Worker shortages – assistance grants and youth allowances to take up farm work of \$17.4m



Opportunities for growth and stability

- There has never been a better time to invest in your agribusiness as most asset purchases will be immediately tax deductible
- Water infrastructure investment will increase drought resistance
- Supply chain vulnerabilities funding provided will build future resilience
- Faster and improved services for farmers and businesses who export agricultural products.

Did the Budget deliver what you ordered?

Overall we were pleased with significant announcements relating to agribusiness however working with our clients in the industry, we would have appreciated announcements on support for new export markets, and a focus on enhancements to Free Trade Agreements.

With the impact of overseas travel restrictions reducing access to labour in agricultural timeframes, we would have liked stronger incentives announced to support the massive labour upscale required in regional agribusiness.

It has been an extraordinary year of upheaval as the nation grapples with the effects of COVID-19 and we recognise that everyone has been impacted in different ways. Reach out to our experts below for assistance navigating the implications and opportunities this Budget presents for you, your business and your industry.



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