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RDTI23

An analysis of the Research & Development Tax Incentive
Transparency Report data from FY2022-23

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A Word From Kashcade

The RDTI remains a cornerstone of Australia's innovation economy.

The FY23 data shows the program's growing reach, with 11% more participants and \$4.8 billion more spent in R&D by companies. Early-stage businesses were drivers of this growth, while established leaders like Atlassian again anchored the top end of expenditure.

Importantly, RDTI claimants continue to show far lower failure rates than the wider business population – a signal of the strength and resilience of innovation-led companies. The program continues to not just fund today's breakthroughs; it is laying the foundations for tomorrow's globally competitive businesses.



**Interested in receiving
your RDTI rebate early?**

An R&D loan from Kashcade can help extend your runway and enable you to perform more R&D. To find out more, visit [**kashcade.com**](https://kashcade.com)

At a Glance: Key Findings from the 2022-23 Transparency Report

Here are some key findings from the ATO report. Throughout the rest of this report, Kashcade has trawled deep into the data, unlocking additional insights.

Massive Scale

The R&D Tax Incentive is a major driver of innovation, with nearly 13,000 companies claiming a total of \$16.2 billion in R&D expenditure in FY23.

Small Business Disparity

Small businesses represent the largest group of users (46% of claimants), but their claims only account for only 15% of the total R&D spend (\$2.4 billion).

Concentrated Spend

Large public and multinational businesses are the primary contributors by value, claiming \$8.7 billion (54% of the total), yet make up only 19% of the claimants.

Sector Dominance

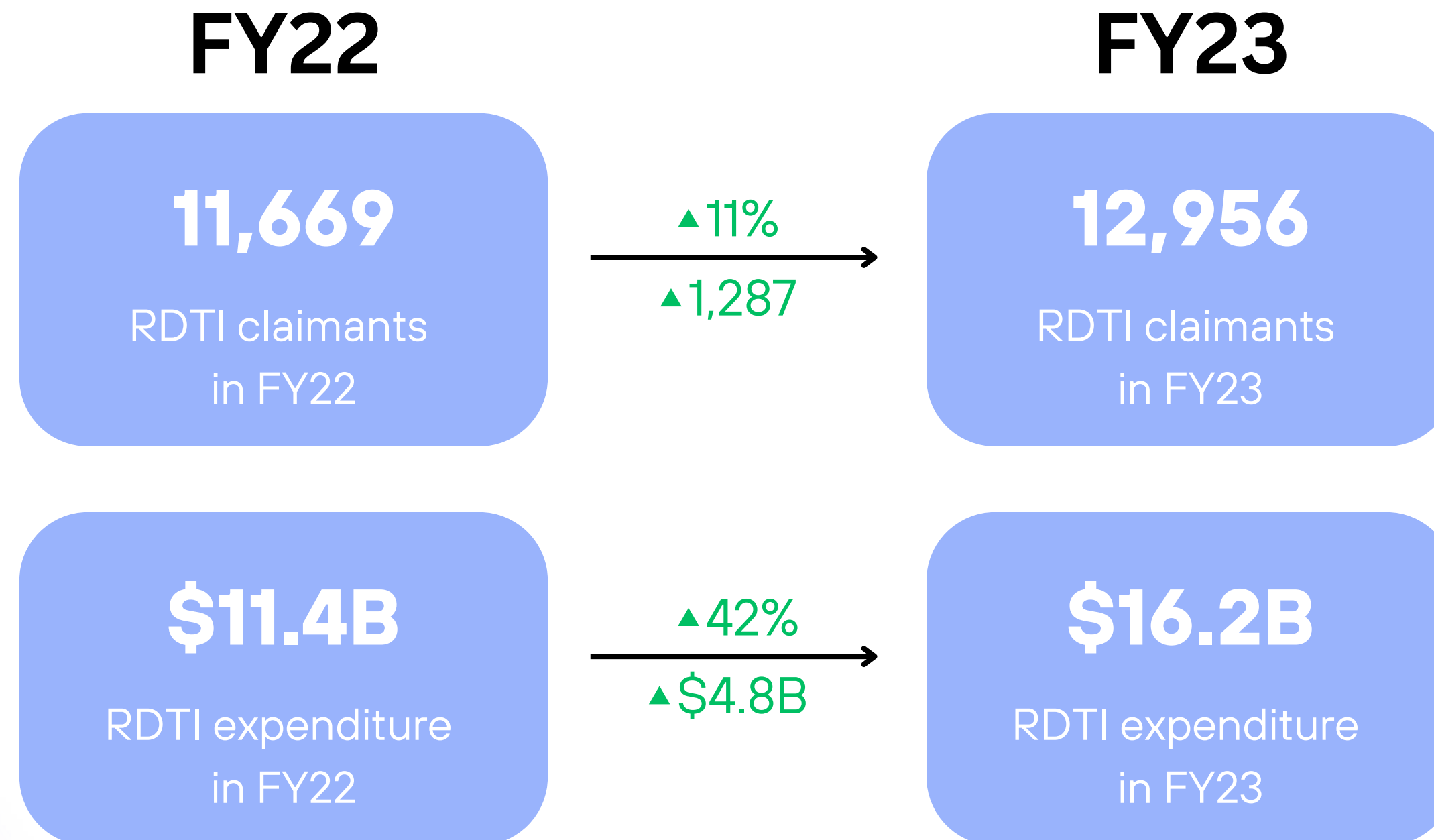
The Professional, Scientific and Technical Services industry overwhelmingly leads the program again, accounting for \$6.2 billion in claims (38% of the total) and 44% of all participating companies.



From the ATO RDTI FY23 Report Findings

The RDTI program increased in size in FY23

In FY23, the program increased in size, and scale.

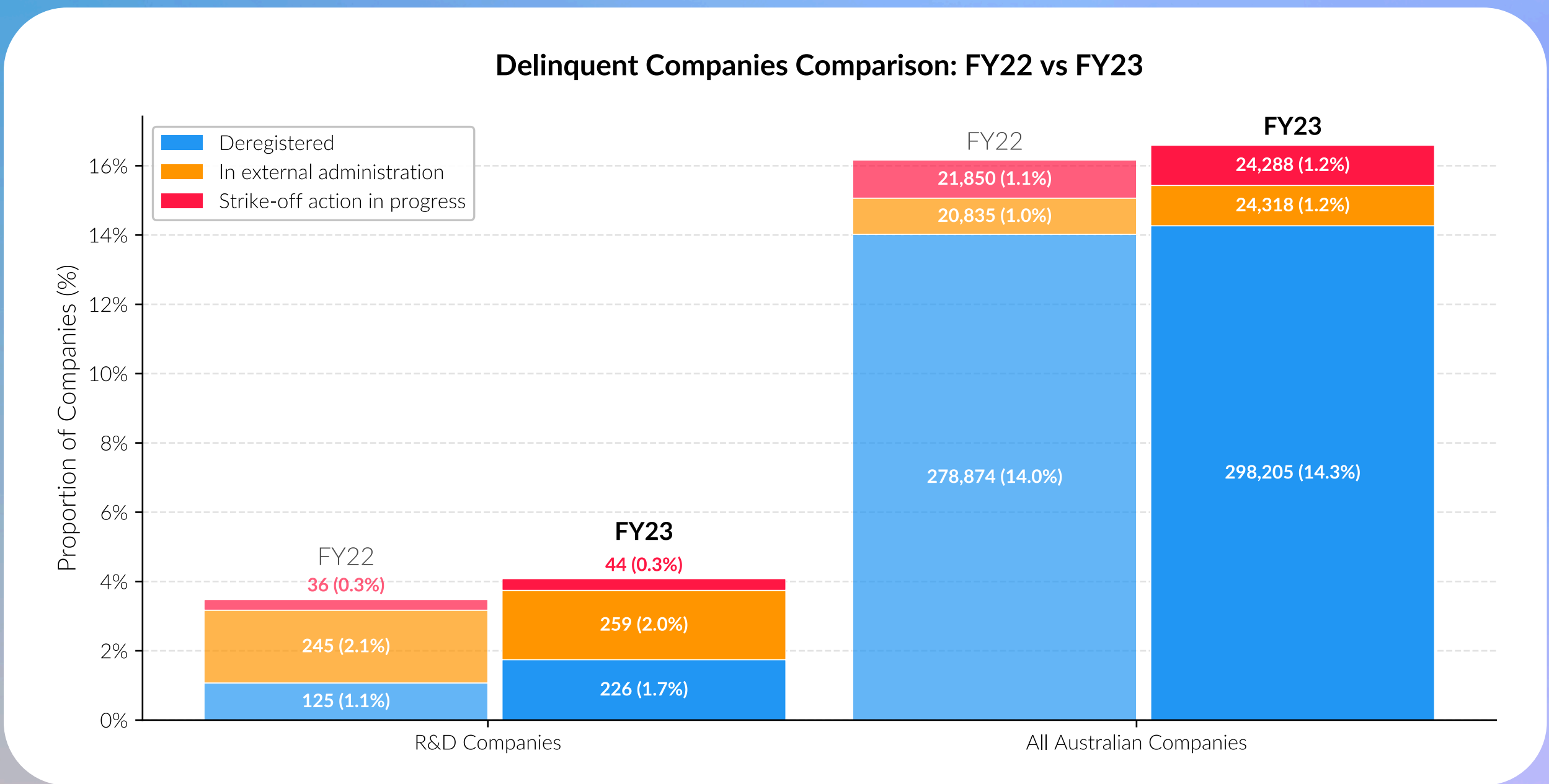


Note: Some proportion of companies were excluded from FY22's ATO dataset, as their EOFY was prior to the cutoff date.

RDTI companies are resilient, maintaining strong survival rates



FY23 cohort survival rates aligned with those of FY22's and show that, despite economic challenges in recent years, RDTI companies remain relatively stable, especially when compared to the population of Australian companies.



1.7%
RDTI failure rate
in the FY23 cohort
compared with 14.3%
across all Australian
companies

2.0%
RDTI administrations
in the FY23 cohort by
September 2025

79% of FY22 claimants returned in FY23

9,167

(79%)
returned
from FY22

2,502

(21%)
did not return
in FY23

3,789

(29%)
new entities
claimed in FY23

79% of companies returned to the RDTI program in FY23 after claiming in FY22.

The 21% of companies that did not return in FY23 spent, on average, \$535k on RDTI in FY22, and were ~6 years old at the time. A 21% 'drop-off rate' can imply that companies will claim for ~5 years.

New claimants in FY23 were ~4 years old and claimed a higher than mean expenditure of \$1.215M.

Repeat RDTI claimants spent more on R&D

Companies that participated in both FY22 and FY23 continued to spend the same or more on R&D in the subsequent year.

The 5% rule



4,900, or 53% of companies upped their claim by at least 5%.



976, or 11% of companies, maintained a consistent (within +/- 5%) expenditure.



3,291, or 36% of companies saw their claim reduce by at least 5%.

Young companies were key to RDTI growth in FY23



Those that upped their claim were a median age of 11 years



Those that reduced their claim were a median age of 12 years

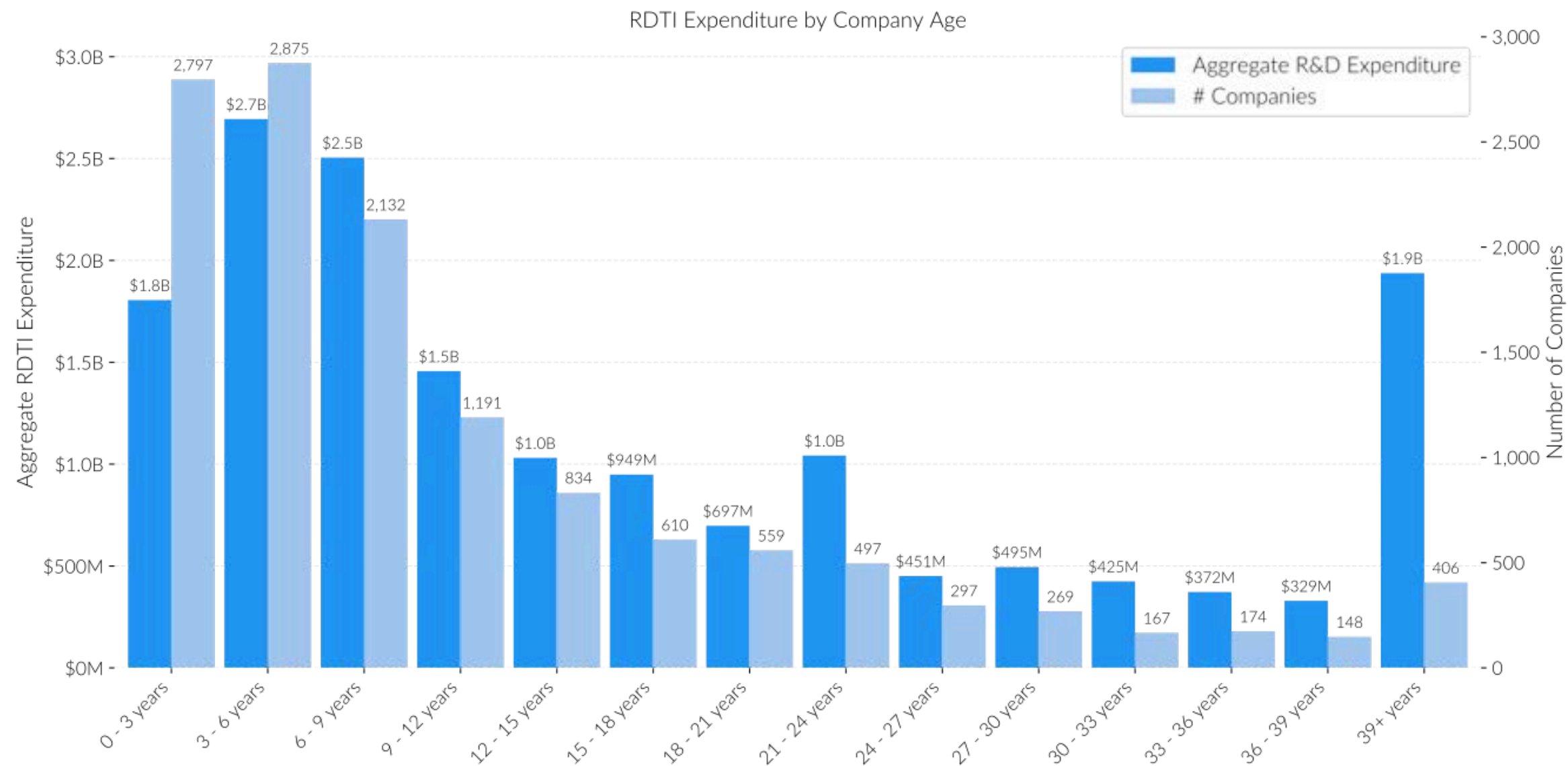


New RDTI claimants were, on average, 4 years old and claimed \$1.215M in expenditure.

Note: The median age of the FY23 cohort was 7 years.

Early-stage companies are still the biggest participants in the RDTI program

Once again, early-stage companies made up the majority of participants in the RDTI scheme.



- ✓ In FY23, the median age of an RDTI claimant rose slightly to 7.0 years from 6.8 years in FY22.
- ✓ Early-stage companies (0–3 years) continued to make up a large share of participants.
- ✓ The biggest lift in expenditure came from companies aged 3–6 years, signalling this as the key scale-up phase for R&D.

Average RDTI expenditure increased in FY23



Increased average expenditure in FY23 may be a result of both a maturing R&D ecosystem and a significant jump in the number of companies making very large claims.

\$1.25M

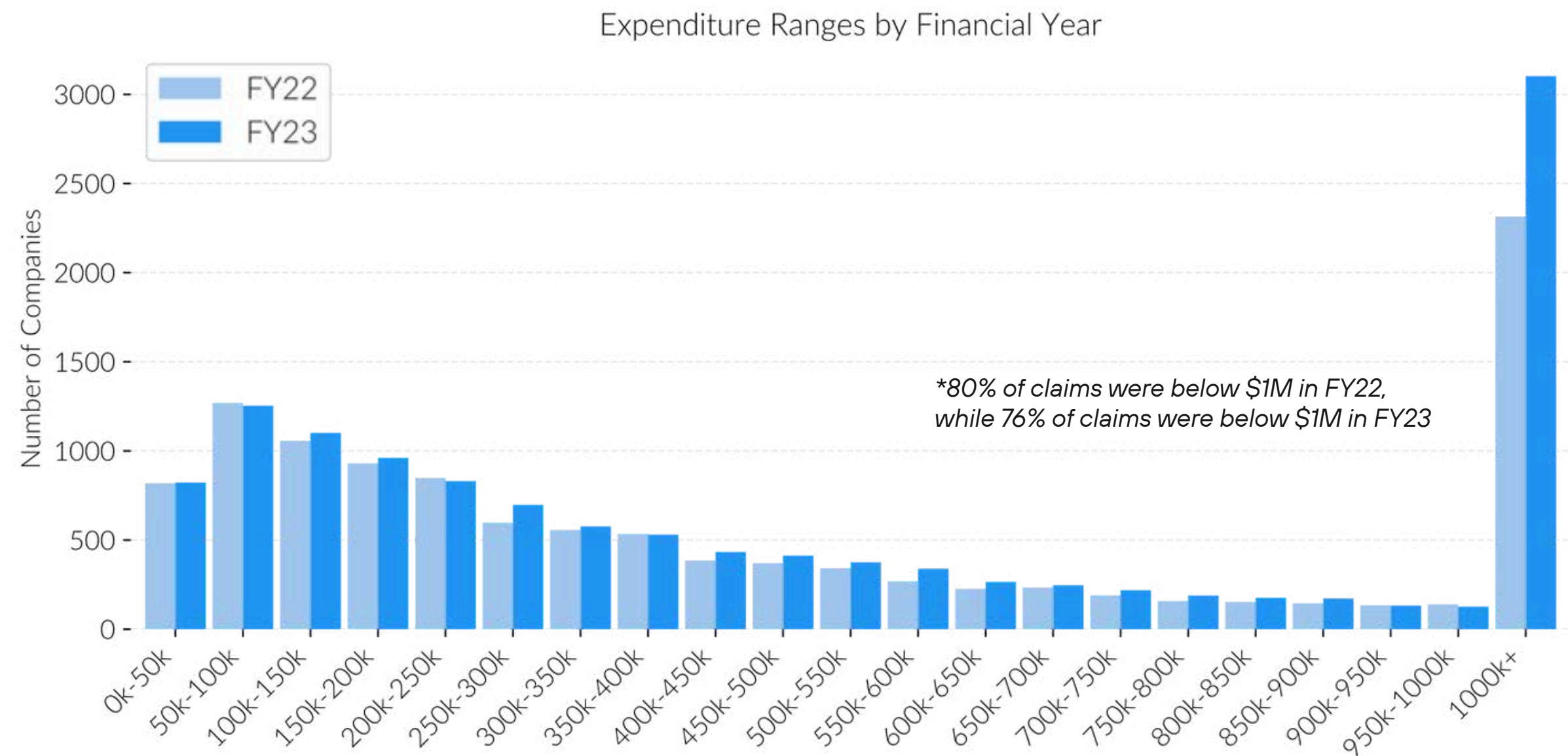
mean expenditure

▲28% from \$974k in FY22

\$372k

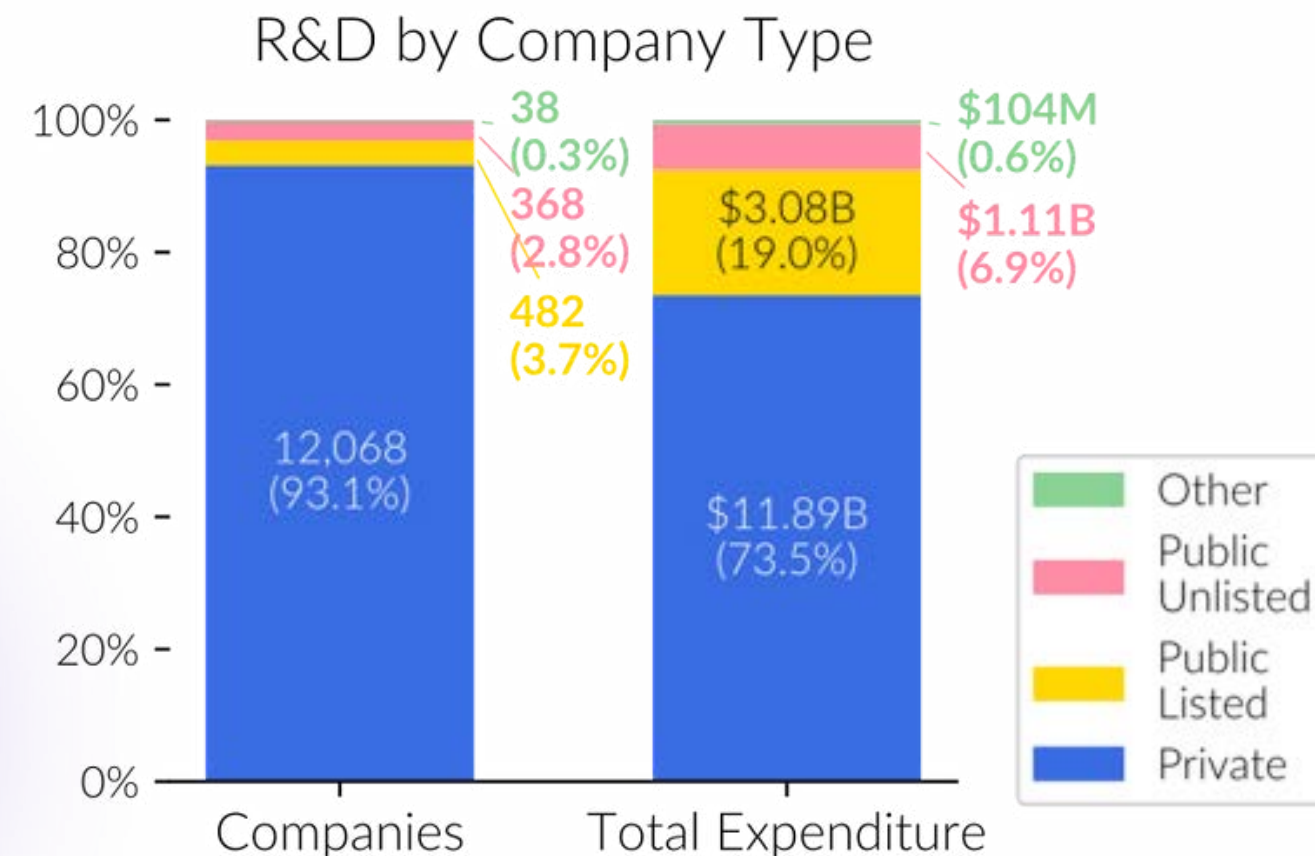
median expenditure

▲14% from \$328k
FY22



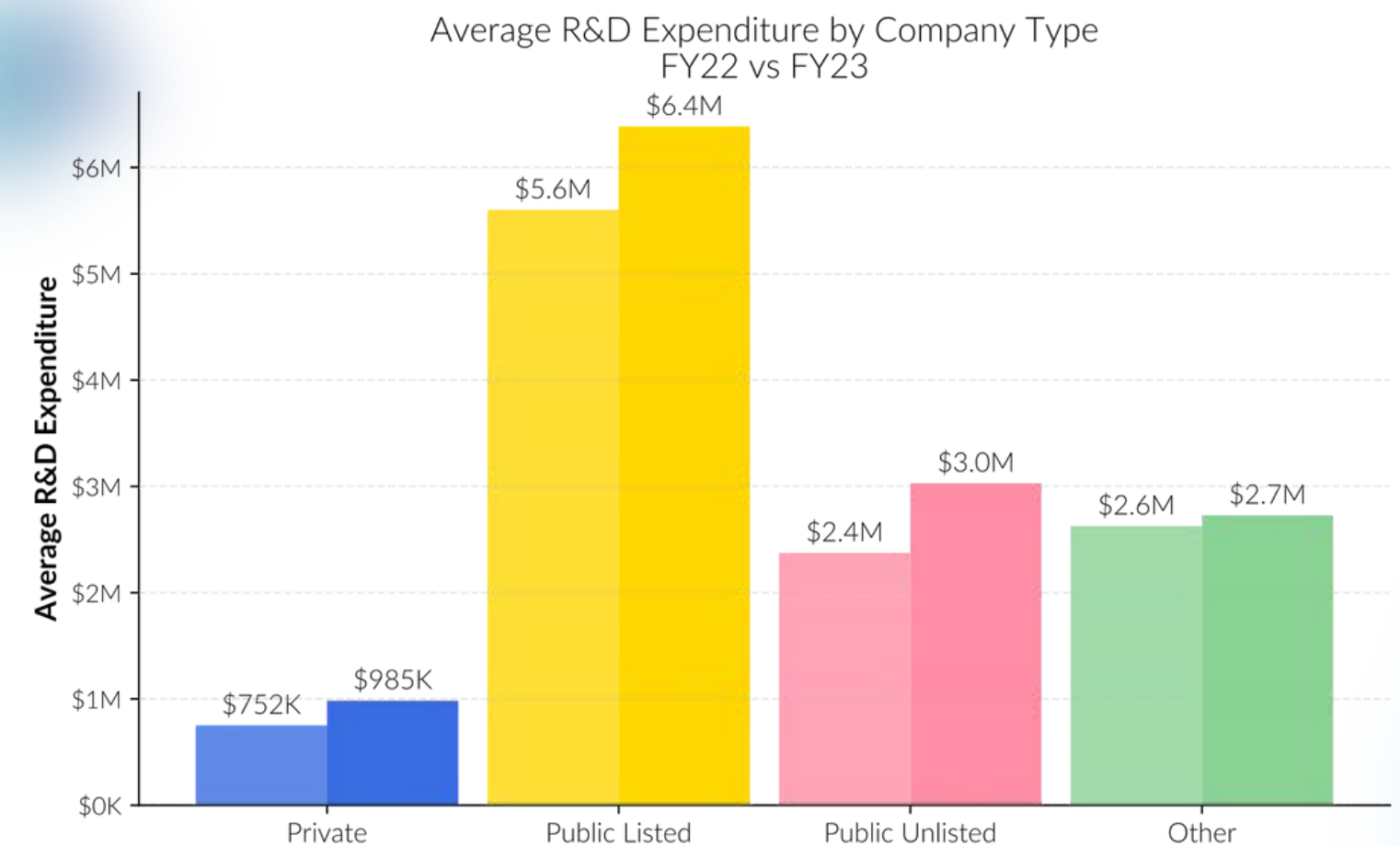
Most RDTI claimants are private companies

Most expenditure came from private companies in FY23



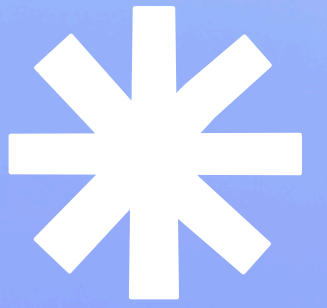
Private company claimants remained steady (down just 0.3% points from FY22), confirming that earlier-stage companies continue to drive R&D activity.

Public-listed company expenditure remains disproportionate



Average RDTI expenditure remains highest in Public Listed companies. It increased by \$784k on FY22.

In FY23 Atlassian was once again the largest RDTI spender



Atlassian Australia 1 Pty Ltd topped the FY23 list again, claiming a total expenditure of \$220M under the RDTI program, up ~10% on their FY22 claim of \$200M.

Atlassian is a 23-year-old Australian software company, listed on the NASDAQ, and globally recognised for products such as Jira and Confluence.

Total employees in June 2023 were reported to be ~11,000. The company is reported to employ ~14,000 people worldwide today (mid 2025), with ~3,600 based in Australia.

Atlassian's R&D efforts are expected to focus on pushing technical boundaries in scalability, AI, data security, and developer platforms.

The Top 10 companies

comprised

7.2%

of all RDTI
expenditure in FY23



Top 10 contributors in FY23

Once again, a small number of companies accounted for a significant share of the total R&D expenditure.

In FY23, the top 10 claimants represented 7.2% of all RDTI expenditure (totalling \$1.16B), up from \$875M in FY22.

Similarly, **10% of all RDTI expenditure came from only the top 18 companies**, or 0.1% of all participants.

Recent commentary on the program's \$150M cap again falls on deaf ears, which may be in part due to there not being many claimants approaching the \$150M expenditure cap. However, participation from large companies remained low.

The top ten looked quite different in FY23

FY22

Rank	Company	RDTI Expenditure
1	Atlassian	\$200,460,127
2	CSL	\$129,243,465
3	Cochlear	\$120,376,749
4	ResMed	\$78,600,592
5	Fortescue	\$77,885,564
6	Cleanaway	\$56,309,397
7	Tassal	\$55,821,520
8	TechnologyOne	\$54,201,233
9	Molycop (Grinding Media)	\$51,676,649
10	Firmus	\$50,889,715

FY23

Rank	Change	Company	RDTI Expenditure
1	=	Atlassian	\$220,184,724 ▲10%
2	▲3	Fortescue	\$150,753,868 ▲94%
3	=	Cochlear	\$136,678,581 ▲14%
4	▲35	Manildra Group (GOTW)	\$117,672,586 ▲427%
5	▼3	CSL	\$111,543,007 ▼14%
6	▼2	ResMed	\$106,731,383 ▲36%
7	NEW	Chevron Australia	\$95,768,477
8	NEW	Afterpay (Lanai)	\$80,945,334
9	NEW	Rio Tinto	\$73,157,842
10	▼1	Molycop (Grinding Media)	\$68,814,589 ▲33%

The top ten employ ~80k people in Australia*



Rank	Company	AU Employees	Expenditure p/AU Employee
1	Atlassian	3,600	\$61,162
2	Fortescue	14,000	\$10,768
3	Cochlear	2,200	\$62,127
4	Manildra Group (GOTW)	1,500	\$78,751
5	CSL	29,900	\$3,731
6	ResMed	900	\$118,590
7	Chevron Australia	1,500	\$63,846
8	Afterpay (Lanai)	800	\$101,182
9	Rio Tinto	26,000	\$2,814
10	Molycop (Grinding Media)	400	\$172,036

130k

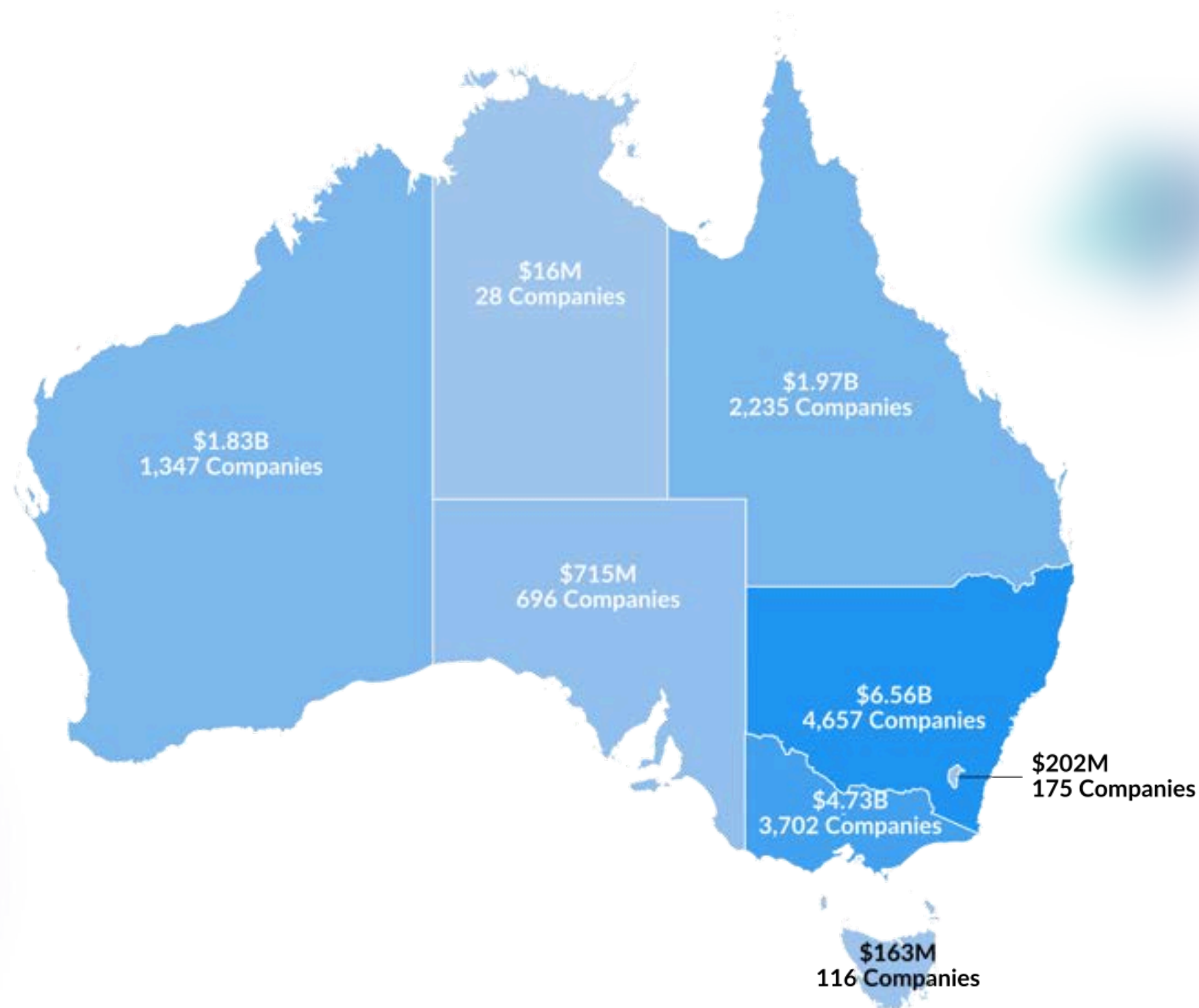
full-time employees

were estimated to be supported by the RDTI program in FY23**

*Full-time employees were estimated by taking what was seen to be the most appropriate and current publicly-available report of employees for each country.

**Assumptions were made using data on average salary compensation to assume a number of full-time employees per company.

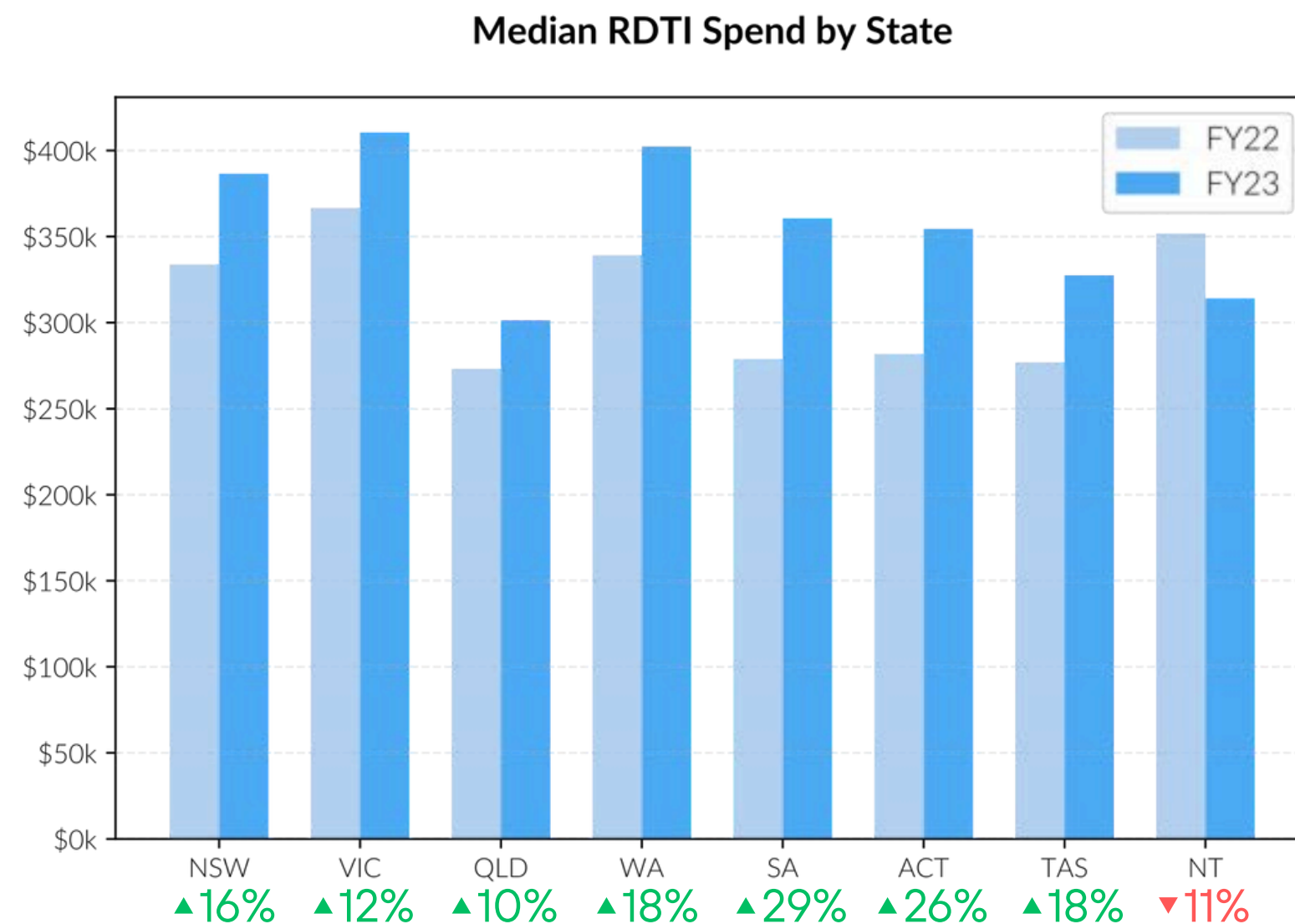
Innovation remains strongest in NSW & VIC



All states but NT & TAS increased expenditure

- ✓ Majority of RDTI claimants were based in either NSW (41%) or VIC (29%).
- ✓ As with FY22, four states saw \$1B+ invested in R&D under the program.
- ✓ The largest jump in expenditure was in WA, with a 48% increase (\$594M) on FY22. 80% of that increase was due to new FY23 claimants.

Companies in VIC, WA and NSW maintained the highest median R&D expenditure



Most states saw increased median RDTI spend compared to FY22, with NSW, VIC, and WA again showing the highest median R&D expenditure.

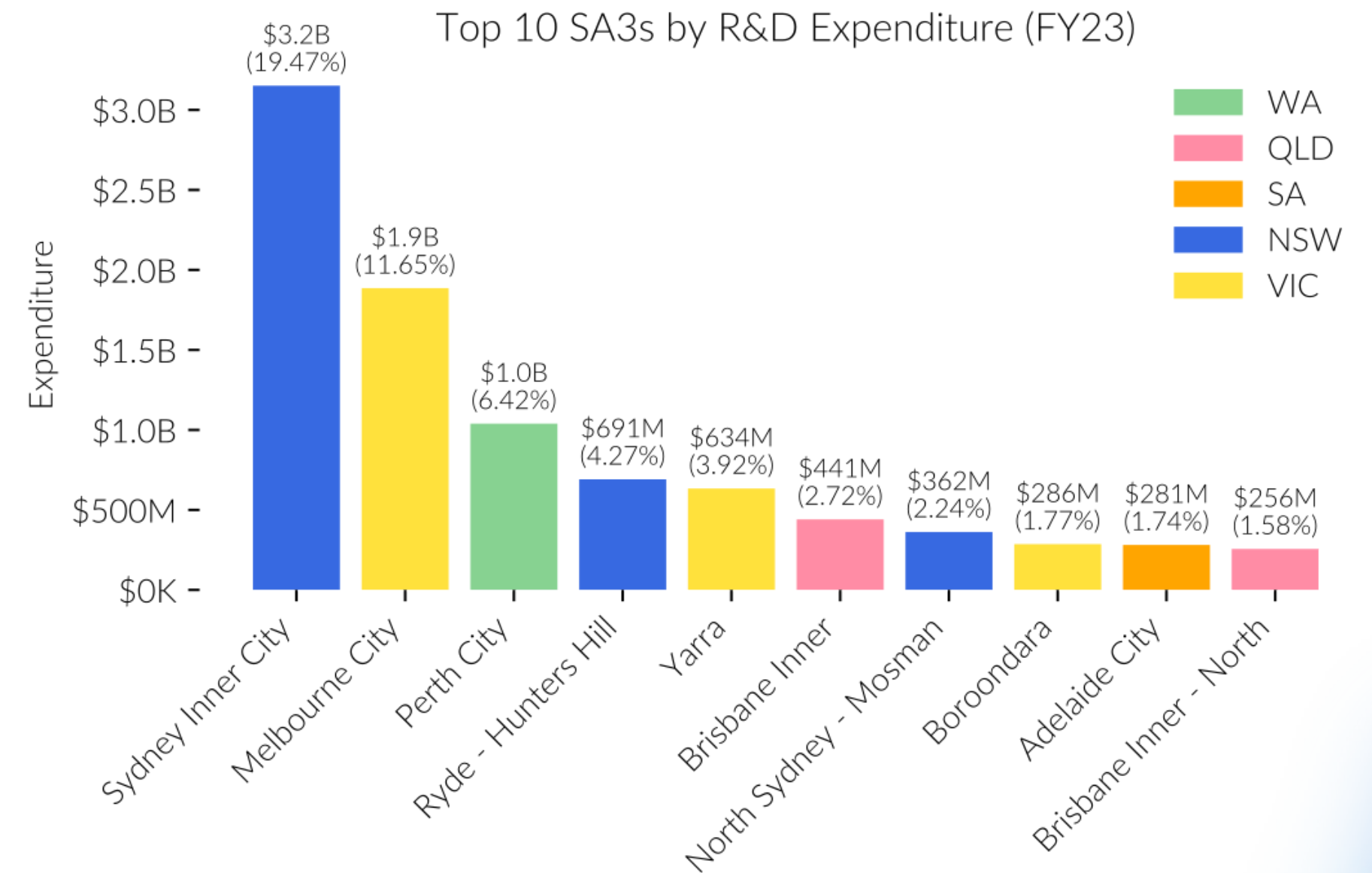
Compared to FY22, SA saw its median proportionally increase the greatest, growing by 29% or \$82k.

NT recorded an 11% decline, though with only 28 companies in the dataset this is too small to be considered a reliable signal.

RDTI expenditure remained concentrated in City CBDs in the FY23 cohort

RDTI activity remained centralised to city centres:

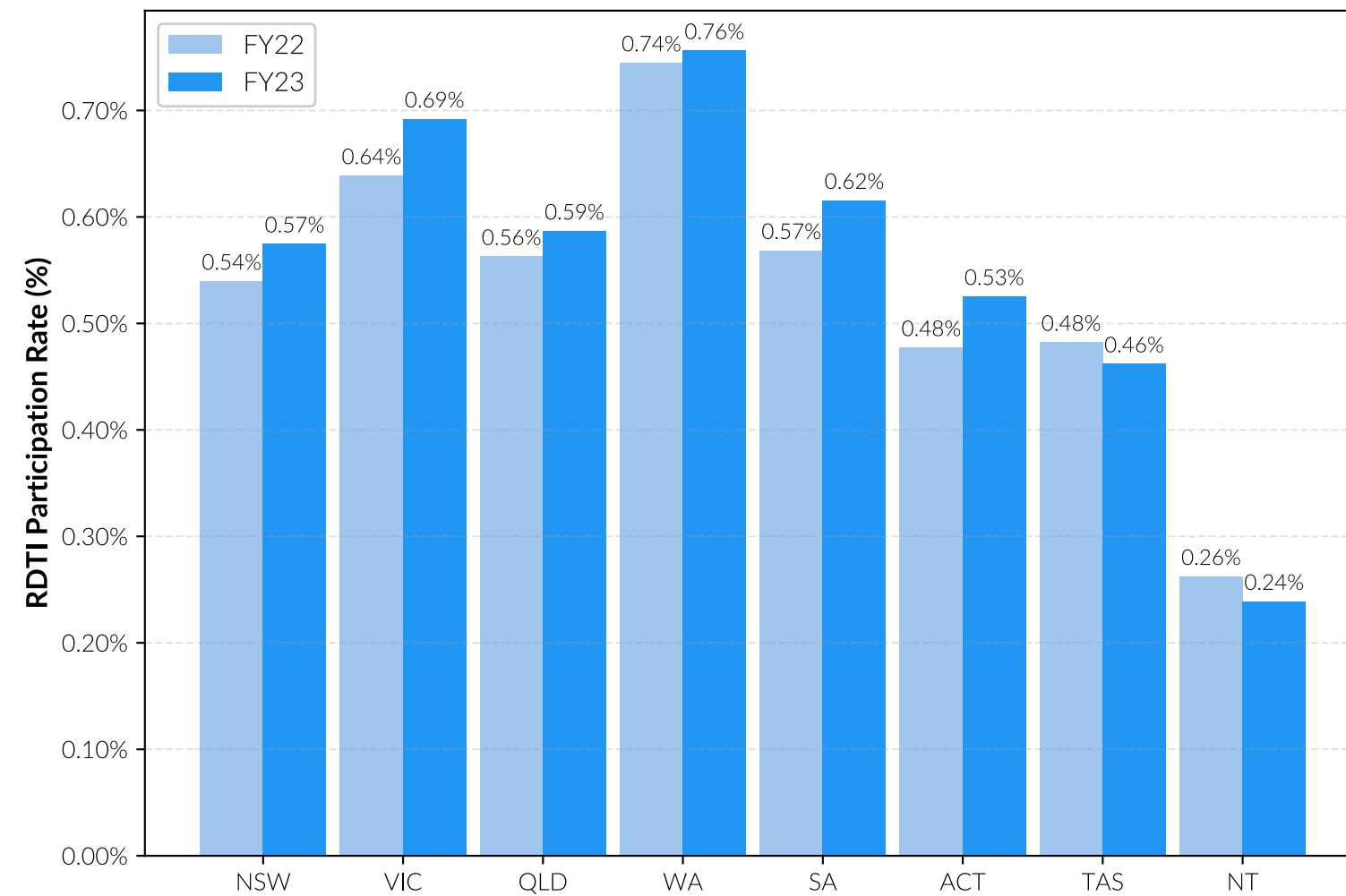
- The majority (56%) of RDTI expenditure came from companies registered in the top 10 areas (as with FY22).
- The top 3 areas – Sydney Inner City, Melbourne City, and Perth City – accounted for 38% of expenditure and 21% of participants.
- RDTI expenditure follows a thin-tailed distribution, where the overwhelming majority of expenditure is centralised in city centres.
- Sydney Inner City's total RDTI expenditure went up 60% this year, from \$2.0B in FY22.



Company participation remained low



RTDI Participation Rate by State
FY22 vs FY23



0.62% FY23 participation rate

FY22: 0.58% ▲6% YoY

Only 1 out of every 161 companies in Australia participated in the RTDI program in FY23 (up from ≈1 in 171 companies).

This was a 6% increase compared to FY22.

Regional areas

have

85% lower

participation compared
to metropolitan areas



The greatest participants

Some cities had more concentrated RDTI participation than average.

These regions in cities had very high participation rates:

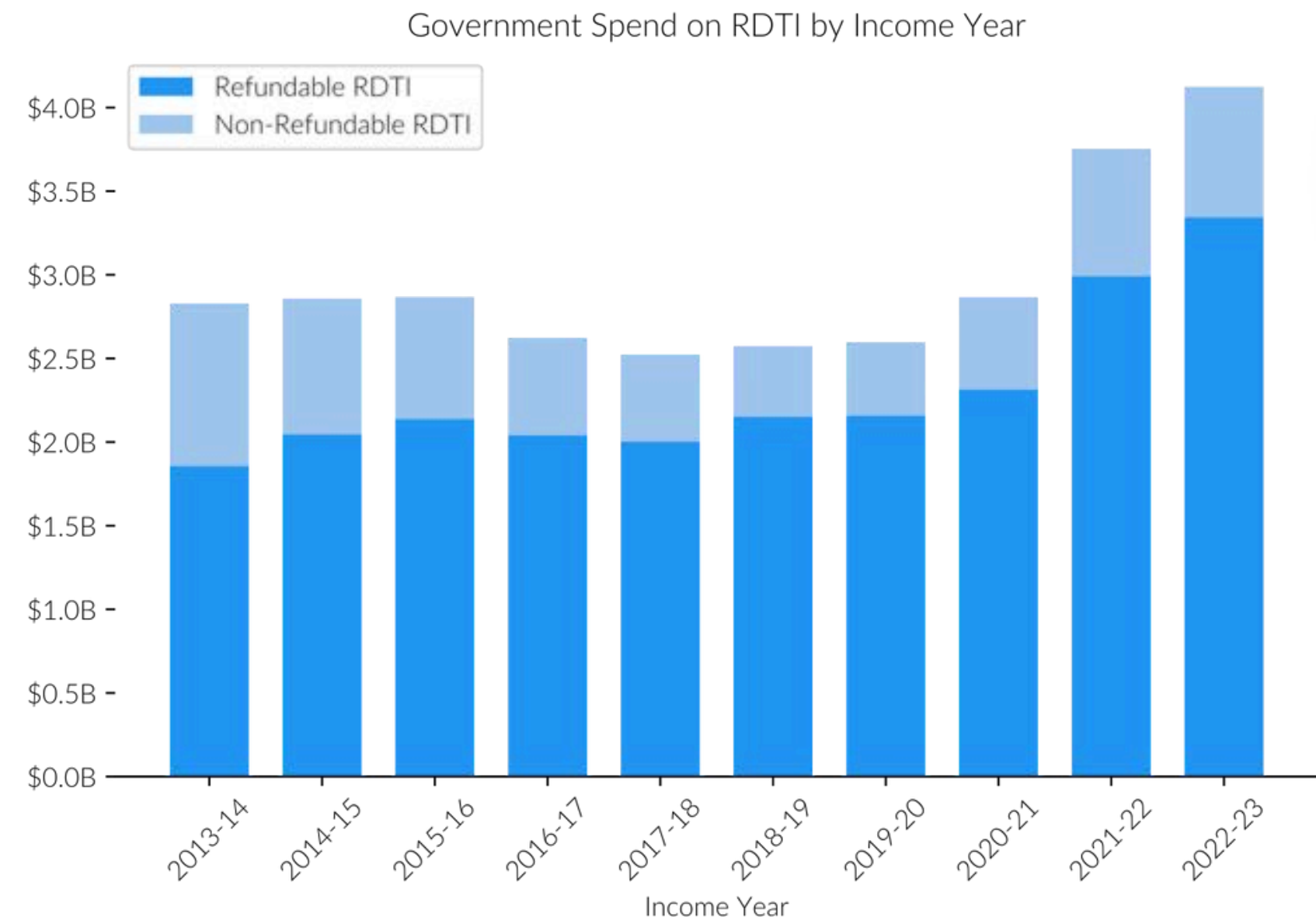
- Yarra (Inner Melbourne): 2.29%, ▲23% from FY22's 1.86%
- Melbourne City: 1.61%, ▲18% from FY22's 1.36%
- Perth City: 1.57%, ▲8% from FY22's 1.46%

Last year Kashcade reported WA had the highest participation rate out of all the states. That trend continued in FY23, with 0.76% participation (a 0.02 percentage point increase on FY22).

Businesses with <\$20M revenue continue to grow the program

The refundable component of the program continues to grow while non-refundable stagnates.

- ✓ Nearly all growth in the program was from refundable offsets (12%), compared to a meagre 3% increase of non-refundable.
- ✓ The program drew an additional \$4.8B of expenditure from RDTI participants in FY23, costing taxpayers an additional \$370M (totalled across refundable and non-refundable tax rebates).



Australia still lags in R&D investment on the world stage



Australia's R&D investment still lags comparable countries on all measures.

- The RDTI program constituted 31% of government spend on R&D in FY23.
- In 2022-23, at an R&D system level, the Department of Industry, Science and Resources (DISR) reported total government R&D spend was 0.51%, well-below the 2022 OECD average of 0.73%
- Australia's participation rate remained much lower than in Canada and the UK too: 0.62% of all Australian businesses participated in the local R&D program in FY23 (up from 0.58% in FY22), versus ~1.67% in Canada* and ~1.51% in the UK.**

*[Statistics Canada \(2021\)](#) indicates 20k R&D entities out of 1.2M Canadian companies.

**[Gov.UK](#) indicates 83k R&D entities over 5.5M UK companies.

Closing thoughts

The introduction of a second year's data on the uptake of the RDTI program has thoroughly extended our understanding of the scheme.

We saw a large uptick in claimants and spend this year, primarily from new companies claiming in FY23.

The use of the RDTI by companies early in their life is a strong indicator the program is being used by challengers and innovators, increasing competition and resourcefulness in the Australia.

However, this, in tandem with the high drop-out rate of the program, indicates more can still and must be done for Australia's long-term innovation strategy.



Interested in more detail?

Kashcade will release a more in-depth analysis following this initial release. Register your interest by reaching out to us at **RDTIReview@kashcade.com** and be notified when it releases.

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