

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2015-16 Additional Budget Estimates
10 February 2016

DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: Review procedures proposed under the act

REFERENCE: Question on Notice (Hansard, 10 February 2016, page 6)

QUESTION No.: AI-3

Senator KIM CARR: Will it be looking at the objects of the act and the degree to which the act is being implemented—the effectiveness of the act?

Dr Finkel : We will be looking at the effectiveness of the way that the incentive is delivered, for example, but not from the point of view of the words in the legislation. For example, the R&D tax incentive at the moment ends up requiring for most companies that they have professional consulting firms to help them with the submission. That is a fairly expensive process. Are there things that we could recommend that would further achieve the ultimate goal of additionality of innovative research and take some of the complexity out of it? How it would be legislated is not something that we are currently looking at.

Senator KIM CARR: I see. There were review procedures proposed under the act. Are they being overlooked?

Dr Finkel : I would have to take that on notice. I cannot comment. It is not something that has been brought to my attention.

ANSWER

A review process was not included in the legislation for the R&D tax incentive. The Senate Economic Legislation Committee recommended the operation of the bill should be monitored on an ongoing basis and reviewed after two years. This recommendation was accepted by the government and ongoing monitoring of the R&D Tax Incentive was initially undertaken by the Tax Incentive Advisory Committee (TIAC) during the programme's implementation phase. Responsibility for this monitoring was passed over to Innovation Australia and its technical committee, the R&D Incentives Committee in 2014.