

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry and Science Portfolio
2015-16 Budget Estimates
3 and 4 June 2015

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY AND SCIENCE

TOPIC: R&D Tax

REFERENCE: Question on Notice (Hansard, 4 June 2015, page 55)

QUESTION No.: BI-52

Senator KIM CARR: I wonder if you could clarify something for me. In relation to the advanced findings—that is, in response to question number AI-63, the program cost sheets the department has provided—I asked for a breakdown on the number of firms that have sought preapprovals or advanced confirmation for this and future years. The spreadsheet indicates there were 193 cases of advanced confirmation in 2012-13; 241 in 2013-14; 213 cases in 2014-15. That is a total of 647. What is the difference between the 94 advanced findings and the 647 advanced confirmations? Can you explain the difference between those two figures for me.

Mr D Wilson: Yes I can. In the question on notice AI-63, the spreadsheet you refer to includes the findings relating to overseas findings. For an overseas finding, a company must apply in their income year for a finding on their activities that they want to claim expenditure on for activities undertaken overseas. For each of those overseas findings, they must meet a number of conditions. The first condition is around the eligibility of the R&D, as well as then other conditions they meet. As the numbers point out, there has been around 500 of those overseas findings. Then there has been, as per question on notice 16, which lists the number of advanced findings, those which are specific and only relate to eligibility of R&D.

Senator KIM CARR: How many of those advanced confirmations involved expenditure or companies with expenditure over \$100 million?

Mr D Wilson: I do not have that in front of me. I will have to take it on notice.

Ms Anton: I would note that we have to be careful where it might identify an individual company.

Senator KIM CARR: But we do know there are 25 of them. You are not telling me which ones.

ANSWER

Overseas Findings have effect for up to three years. Of the 564 Overseas Finding applications that had been determined by 31 May 2015, 289 Overseas Findings had been made that will have effect in income years 2014-15 and 2015-16.

Of the 289 Overseas Finding applications that had been determined up to 31 May 2015 which will have effect in income years 2014-15 and 2015-16, three were for companies that registered R&D expenditure of more than \$100 million for the 2012-2013 income year.