

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2014 - 2015

Department/Agency: Revenue Group

Question: SBT 87-91

Topic: Tax Laws Amendment (Research and Development) Bill

Reference: Written - 04 November 2014

Senator: Carr, Kim

Question:

87. In respect to the Tax Laws Amendment (Research and Development) Bill and the proposed amendment to exclude firms with Australian assessable income of over \$20 billion from claiming the R&D Tax Incentive:
- a) Has Treasury conducted any modelling or made any assumptions on the impact this measure may have on R&D investment in Australia?
 - b) Is Treasury engaged in any discussions on possible changes to the measure? If so, can you outline the nature of those discussions?
88. How many current users of the R&D Tax Incentive would be affected by the proposed introduction of a Paid Parental Leave levy?
89. What preparations has Treasury made for the 2014 review of the R&D Tax Incentive program, as foreshadowed in The Coalition's Policy to Boost the Competitiveness of Australian Manufacturing launched during the 2013 Federal Election? (p. 7). Is this still going ahead?
90. What is the status of the National Reference Group established by AusIndustry and the ATO to provide advice on the R&D Tax Incentive? Is it still operational? If so, when did the group last meet?
91. The National Reference Group Charter includes a reference to working groups and State and Territory Consultative Forums (pages 3-4) to discuss priorities and disseminate information to the broader business community on the R&D Tax Incentive. Have any working group meetings or State and Territory forums been convened? If so, please provide the details of the meetings and the meeting outcomes.

Answer:

- 87.
- a-b) Treasury has undertaken work on this measure since it was first announced in the first half of 2013 under the former Government. Treasury is engaging with the Government on this measure, as part of its role to provide advice and assist in the formulation and implementation of government taxation policies and legislation. The nature of any discussions on this measure is a matter for the Government.
88. This goes to advice to Government.
89. The R&D tax incentive is expected to be considered in the Tax White Paper process.

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90. The Department of Industry has advised that the National Reference Group (NRG) is still operational. The last NRG meeting was Tuesday 6 May 2014.
91. The Department of Industry has advised that it has had a series of meetings with key stakeholders in the consultant and tax advisory community. From 1 July 2013 to 30 June 2014 the Department of Industry met with these people with regard to the R&D Tax Incentive programme:
- 34 Consultant and Registration Ready Workshops and Information Sessions the outcomes of which were increased understanding of programme elements and requirements.
 - 36 Bilateral Meetings and Programme Briefings the outcomes of which were the sharing of information, discussions on the status of the programme, resolution of administration issues as they arose, and to address consultant-specific concerns on registration applications submitted.
 - 9 Roundtable Discussions and Forums the outcomes of which were to update consultants on the R&D Tax Incentive, receive feedback from consultants, facilitate improved mutual understanding of the programme, and to provide details of the information required in an applicant's registration.

In addition to these engagements, members of the R&D Tax National Reference Group were consulted out-of-session on the development of various guidance and education products.