

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Tourism and Resources Portfolio  
2006-07 Additional Budget Estimates Hearing  
15 & 16 February 2007

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**AGENCY/DEPARTMENT:** INDUSTRY, TOURISM AND RESOURCES

**TOPIC:** *R&D Tax Concession*

**REFERENCE:** Hansard 16/2/07, Page E5

**QUESTION No.** AI-12  
(Hansard 16/2/07, Page E5)

**Senator CARR asked:**—The last time the scheme was updated or amended—that is the 175 per cent change and the tax offset that was introduced in 2001—did the department estimate the take-up rates for the premium offset at that time?

**Ms Berman**—They did.

**Senator CARR**—And what did you—

**Ms Berman**—I would have to take on notice the figures, but we do have them. They were put out when the large Backing Australia's Ability package was put out. There were estimates put out for five years, so we can provide those.

**Senator CARR**—Can you also provide to me the basis on which those estimates were made?

**Ms Berman**—I am not sure that I can, because that was basically developed in conjunction with Treasury, and they provided the estimates at the time. So I do not think I can do that but I certainly can provide the figures.

## **ANSWER**

The Tax Offset Fact Sheet which was released as part of *Backing Australia's Ability* 2001 package advised 'Under this initiative, this Government expects to provide up to 1300 small companies with approximately \$30 million in advanced support over the next five years at a net cost of \$13 million.'

The 175% Premium Fact Sheet released as part of *Backing Australia's Ability* package in 2001 advised 'This initiative could provide in the order of an additional \$460 million of Government funding over the next five years to support \$4.3 billion of business expenditure on research and development.'

Estimates of R&D tax concession costs, and the associated assumptions, are developed by the Treasury.