

**Senate Standing Committee on Economics**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Innovation, Industry, Science and Research Portfolio  
Additional Estimates Hearing 2009-10  
10 February 2010

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**AGENCY/DEPARTMENT:** INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

**TOPIC:** R&D Tax Concession

**REFERENCE:** Question on Notice, Hansard 10 February 2010, page E77

**QUESTION No.:** AI-106

**Senator COLBECK**—Is the size of the claim a factor in doing a risk review?

**Mr Peel**—One of the risk reviews that we do, which Dr Edwards referred to, is what we call the top 30. We will have a look at the higher claimants as part of our risk assessment process as well.

**Senator COLBECK**—Do any of those fall within the eight cases that we are arguing about at the moment?

**Mr Peel**—There is one I am thinking of. It is not quite in the eight yet but it will probably be in the nine.

**Senator COLBECK**—I suppose that depends on the attitude of the company. Those eight are current cases. What about resolved cases?

**Dr Edwards**—I have to take that on notice. I do not have that data with me.

**Senator COLBECK**—Would that be a significant number or would most of the cases be ongoing?

**Dr Edwards**—My recollection is that, if you look back over the last few years, we have had fewer than we currently have. If you go back 10 years, we probably had a spike in activity about 10 years ago, but it is never a huge amount of claims. It is not abnormal.

**Senator COLBECK**—Is it reasonable to extrapolate the percentages? I would not have thought it necessarily was. We are talking about legitimate access to this concession as it currently stands.

You are looking at, say, 350 per year, over a period of 10 years. You have eight or 20, so a couple per year out of 350.

**Dr Edwards**—I just do not have that data.

**ANSWER**

The table below details information on Administrative Appeals Tribunal (AAT) cases.

**Table 1 – R&D Tax Concession AAT Cases**

|                    | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10<br>as at 31<br>January<br>2010 | Total     |
|--------------------|---------|---------|---------|---------|--|-----------|
| <b>Commenced</b>   | 4       | 0       | 5       | 10      | 5                                      | <b>24</b> |
| <b>Resolved</b>    | 4       | 0       | 4       | 7       | 0                                      | <b>15</b> |
| <b>Outstanding</b> | 0       | 0       | 1       | 3       | 5                                      | <b>9</b>  |