

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

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: IT R&D

REFERENCE: Written Question – Senator Eggleston

QUESTION No.: AI-23

The draft Exposure Bill specifically excludes certain types of IT R&D. What percentage of current eligible IT R&D would that excluded IT R&D constitute?

What is the policy rationale for the exclusion of specific IT R&D?

Has the Department considered how the proposed exclusion of R&D in the IT sector will impact on the Governments Productivity agenda?

ANSWER

The Department of Treasury is responsible for the modelling of this program. Any questions relating to modelling or costings must be referred to the Treasury portfolio.

The R&D Tax Credit aims to support genuine R&D and not ‘business as usual’ activities.

The focus of the program is to support genuine R&D through providing higher rates of assistance to lift Australia’s innovation performance, which will contribute to improved productivity. Thus the program should aid the Government’s productivity agenda.