

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2010-11
31 May 2010

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: R&D Tax Credit

REFERENCE: Written Question – Senator Eggleston

QUESTION No.: BI-92

How should a mining company be expected to undertake wholly new R&D as this legislation requires? Can you give practical examples of mining-specific R&D projects that you would envisage as being wholly new activities and therefore eligible for support under the new legislation?

ANSWER

The R&D Tax Credit is a broad based, non industry specific program. It is available to companies across all industries, who conduct experimental activities for the purpose of generating new knowledge or information in either a general or applied form. This includes experimental activities that apply new or existing knowledge to new or improved materials, products, devices, processes or services.

The Explanatory Memorandum which accompanies the *Tax Laws Amendment (Research and Development) Bill 2010* provides a number of examples of how the definition of research and development is applied, including in a mining context.