

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Supplementary Budget Estimates Hearing 2011-12
19 October 2011

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

TOPIC: R&D TAX INCENTIVE

REFERENCE: Written Question – Senator Colbeck

QUESTION No.: SI-146

1. Given that advance findings for the R&D Tax Incentive still won't be available for some time, what advice is being provided in the interim to the growing number of firms who say they can't work out if their activities qualify or not? Advice about activities is presumably being offered on a case-by-case basis; if that's true, how can the Department possibly expect businesses to have any government encouragement to undertake R&D when they are forced to seek ad hoc, non-binding guidance instead?
2. How many companies has the Department assessed will request advance findings on a yearly basis?
3. Who will undertake advance findings on the Department's behalf, and how many days' average turnaround will there be on those advance findings?
4. By how much will that average turnaround time increase if each of another 1, 10, 50 and 100 firms apply for advance findings?

ANSWER

1. The advance finding application form will be made publicly available once the relevant regulations have been approved. In the interim, a comprehensive suite of guidance documents has been released to encourage take up of the program. Public information sessions have been held in all capital cities and major regional centres with over 3,000 people attending.
2. It is not possible to estimate how many companies will request advance findings as this is a new function. Advance findings were not available under the R&D Tax Concession.
3. The assessment of advance findings will be undertaken by AusIndustry employees. The length of time taken to assess and make a decision on an application will be dependent on the complexity of the case and the receipt of information necessary to make an assessment from the applicant company.
4. It is not possible to estimate as advance findings are a new function and time to assess is dependent on the factors outlined above. AusIndustry is able to utilise resources across its compliance activities to meet demand.