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Driving Business Success for Consulting Firms in the Built and Natural Environment

27 May 2010

**The Secretary**

Senate Standing Committee on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**RE: Tax Laws Amendment (Research and Development) Bill 2010 and Income Tax Rates Amendment (Research and Development) Bill 2010**

Dear Secretary,

I write in response to your Inquiry into the Tax Laws Amendment (Research and Development) Bill 2010 and Income Tax Rates Amendment (Research and Development) Bill 2010.

Consult Australia is the industry body of choice for firms consulting in the built and natural environment. We represent over 270 companies, from large multidisciplinary corporations to small niche practices, collectively employing over 50,000 staff.

Consult Australia has contributed to the development of the bills being considered through earlier submissions to the Treasury in response to their first and second exposure draft legislation. In our most recent submission to the Treasury in April 2010 we noted our concern that insufficient time had been provided to properly consider and debate the implications of the changes—now established in these Bills—in advance of the proposed 1 July 2010 implementation date.

In this context, we continue to be concerned that the definitions for Core and Supporting R&D Activities introduced by this legislation create significant uncertainty for business. It remains unclear how these definitions should and will be interpreted. In this context we support the more detailed analysis and examples provided in the submission of Michael Johnson Associates Pty Ltd.

To account for these concerns we do not support the Bill as currently drafted, and request that the Government postpone the implementation of the Bill until 2011 to provide for a more considered debate of the draft legislation and its wider implications.

Yours sincerely,

(...)

**Megan Motto**  
Chief Executive

