

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry and Science Portfolio
Additional Estimates 2014-15
26 February 2015

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY AND SCIENCE

TOPIC: R&D Tax Measure

REFERENCE: Question on Notice (Hansard, 26 February 2015, pages 113-114)

QUESTION No.: AI-18

Senator KIM CARR: Here you can. I am asking you to comment on a report in *The Sydney Morning Herald* on 11 February. I am asking you: is it true that companies that were not affected by the original measure—that is, the \$20 billion threshold—are now being caught up in the new amendment of a \$100 million cap?

Senator Ronaldson: Unless this officer has actually seen this report, I do not really know how he—

Senator KIM CARR: I am sure we can provide him with a copy of *The Sydney Morning Herald*. I mean, it is not a banned publication yet!

Senator Ronaldson: Perhaps at the same time we might also get a copy of a similar policy to this which I think was announced in the 2013-14 budget by Prime Minister Gillard and Treasurer Swan which was banked but was not legislated.

Senator KIM CARR: You are wrong about that. It is not a similar policy. Without being specific about any individual company, I have cited a particular example. I am asking you, Ms Anton, is it possible that companies that were not affected by the original instrument as announced in the budget, the \$20 billion threshold, are now affected by the \$100 million cap?

Ms Anton: I would prefer to take that on notice.

ANSWER

The department through AusIndustry holds information about companies' registered R&D expenditure; it does not hold information about companies' aggregated assessable income. The department cannot determine if companies that were not affected by the \$20 billion turnover threshold, as announced in the budget, are now affected by the \$100 million expenditure threshold.

The department suggests that Treasury would be better positioned to provide an answer and understands that a similar question was put to Treasury during its appearance at the 2014-15 Additional Budget Estimates Hearing.

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Note to the Executive and Parliamentary Services:

This response is correct from an Ausindustry point of view. Senator Carr has asked a similar question of Treasury who should be in a position to definitively answer the question. We are continuing to liaise with them and will ensure answers across portfolio's are aligned.