

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2015 - 2016

Department/Agency: Australian Taxation Office

Question: AET 221-224

Topic: Exploration Development Incentive

Reference: written - 24 February 2016

Senator: Waters, Larissa

Question:

221. As far as possible, please provide a breakdown of the funds distributed under the Exploration Development Incentive in:

- a. by commodity
- b. by State
- c. by individual company

222. Please provide a list of all applications made under the EDI, including State, commodity, and level of funds applied for.

223. How many applications were approved?

224. Which applications were approved?

Answer:

221. Funds are not distributed under the Exploration Development Incentive. Rather, the Exploration Development Incentive enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from greenfields minerals exploration expenditure and distributing these exploration credits to shareholders. Australian resident shareholders issued with an exploration credit may be entitled to a refundable tax offset or additional franking credits.

Information about the location of greenfields operations carried on by participating exploration companies, or the minerals targeted or identified by these operations, is not obtained as part of the Exploration Development Incentive notification process.

222. Exploration companies do not apply for funds under the Exploration Development Incentive. They nominate to participate in the scheme on a self-assessment basis. A total of 84 companies will participate in the first year of the scheme. The total amount of exploration incentive credits is expected to be approximately \$21.1 million.

223. Refer to 222.

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