

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry and Science Portfolio
2015-16 Budget Estimates
4 June 2015

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY AND SCIENCE

TOPIC: R&D Tax Incentive Programme

REFERENCE: Question on Notice (Hansard, 4 June 2015, page 52)

QUESTION No.: BI-50

Senator KIM CARR: Has the department received any expressions of concern about changes in this policy?

Senator Ronaldson: From where?

Senator KIM CARR: From people who use it.

Ms Urquhart: I would have to take that on notice.

Senator Ronaldson: People like you, or users or who?

CHAIR: I am following the line of questioning, and I think it is the 25 groups of people or whatever, but if you could be more specific.

Senator KIM CARR: There are two questions. Have there been any expressions of concern in regard to the \$100 million cap? The second area of concern is in regard to the 1.5 per cent reduction.

CHAIR: They have taken that on notice.

Senator KIM CARR: The answer to the question presumably then is: it is not us; it is the Department of the Treasury. Is that the case? Did Treasury undertake the consultation?

Senator Ronaldson: No, no. That is not what I said at all. Good try, Senator. What I have said to you is: they are unable to answer these questions; they are matters for Treasury and you should direct your inquiries to Treasury.

Senator KIM CARR: If you are finding that question so difficult to answer, I will ask: has the department of industry undertaken any consultations in regard to changes to the R&D tax incentive, as outlined in the Tax and Superannuation Laws Amendment (2015 Measures No. 3) Bill 2015?

Senator Ronaldson: It took you four goes to get to something that—

Senator KIM CARR: It is the same question. You are being facile again.

Senator Ronaldson: No, no. This is your problem, you see.

Senator KIM CARR: It is the same question.

Senator Ronaldson: You do not start off well and then you have got to finish it off later on.

CHAIR: We have got a question.

Mr Hoffman: We have not undertaken targeted, formal consultations on this matter, as the minister has explained. That having been said, on both the policy and the program sides of the department, we are regularly engaged with users of the incentive and with consultants and advisers about the incentive, so we are informed and engaged. But we have not undertaken formal, targeted consultations on this particular measure.

Senator KIM CARR: Have you raised concerns that have been raised with you in regard to these measures with Treasury? AusIndustry is the group that actually has to administer this program.

Ms Urquhart: We took on notice whether concerns had been raised with us, because, in order to give you a complete answer, I would need to check. So, with what has occurred with those particular concerns—where and how they have been raised—I would need to take that on notice as well.

ANSWER

The Palmer United Party introduced an amendment to replace the Government's better targeting measure with a \$100 million threshold on R&D expenditure claims on 17 November 2014. Since then, the Hon Ian Macfarlane MP, Minister for Industry and Science, has received one piece of written correspondence expressing concern about the \$100 million threshold. This piece of correspondence was referred to the Treasury Department for appropriate action.