

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

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY AND SCIENCE

TOPIC: R&D Tax Incentive

REFERENCE: Written Question – Senator Carr

QUESTION No.: BI-72

In relation to the R&D Tax Incentive, please provide a breakdown based on registrations for the most recent income year, covering:

1. The top ten sectors by R&D performing companies (based on registrations), including the number of R&D performing companies in each sector and their proportion as a percentage of total registrations.
2. The top ten sectors by R&D expenditure (based on eligible R&D expenditure), including the value of R&D expenditure in each sector and the proportion of expenditure as a percentage of total registered expenditure.
3. A breakdown of R&D performing companies based on their turnover (>\$20 million and <\$20 million), the total R&D expenditure for each of these two categories of R&D performing companies and the proportion of expenditure as a percentage of total registered expenditure.

ANSWER

The following tables provide the percentage shares of R&D-performing companies (some of which are consolidated as a group for tax purposes) and registered R&D expenditure for each industry sector for the most recent incomplete income year 2013-14.

Top 10 sectors by R&D-performing companies		
Industry Sector	R&D-performing entities	Per cent of total registrations
Manufacturing	4,341	31.9%
Professional, Scientific and Technical Services	2,733	20.1%
Information Media and Telecommunications	2,336	17.1%
Mining	1,197	8.8%
Agriculture, Forestry and Fishing	507	3.7%
Construction	442	3.2%
Electricity, Gas, Water and Waste Services	354	2.6%
Financial and Insurance Services	307	2.3%
Health Care and Social Assistance	280	2.1%
Wholesale Trade	203	1.5%

Top 10 sectors by registered R&D expenditure		
Industry Sector	Value of R&D expenditure	Per cent of total expenditure
Manufacturing	\$6,118,597,471	33.3%
Mining	\$3,400,422,398	18.5%
Professional, Scientific and Technical Services	\$2,810,707,566	15.3%

Information Media and Telecommunications	\$1,602,142,877	8.7%
Financial and Insurance Services	\$1,339,964,143	7.3%
Construction	\$669,522,226	3.6%
Electricity, Gas, Water and Waste Services	\$559,682,412	3.1%
Agriculture, Forestry and Fishing	\$452,719,487	2.5%
Transport, Postal and Warehousing	\$346,884,745	1.9%
Retail Trade	\$207,815,743	1.1%

The table below provides a breakdown of:

- R&D-performing companies, based on their turnover (above and below \$20 million),
- the total R&D expenditure for each of these two categories of R&D performing companies, and
- the proportion of expenditure as a percentage of total registered expenditure.

R&D-performing entities and R&D expenditure by turnover ranges				
Size of R&D Performing Entity	Number of Registrants		Expenditure	
More than \$20m turnover	3,349	24.6%	\$12,914,347,146	70.4%
Less than \$20m turnover	10,279	75.4%	\$5,435,012,080	29.6%