

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
 Industry, Innovation and Science Portfolio
 2015-16 Supplementary Budget Estimates Hearing
 22 October 2015

DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: R&D Tax Incentive

REFERENCE: Written Question – Senator Carr

QUESTION No.: SI-79

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

- a. 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.
- b. 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.
- c. 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

- a. The Top Ten Sector by registrations (Department of Industry, Innovation and Science (DIIS), as at 30 September 2015)

R&D Tax Incentive (income year 2014)

Top Ten industry sectors: number of share of registrations

Industry Sector	Registrations	
Manufacturing	3,914	33.0%
Professional, Scientific and Technical Services	2,530	21.3%
Information Media and Telecommunications	2,177	18.3%
Mining	710	6.0%
Agriculture, Forestry and Fishing	447	3.8%
Construction	357	3.0%
Electricity, Gas, Water and Waste Services	284	2.4%
Financial and Insurance Services	251	2.1%
Health Care and Social Assistance	238	2.0%
Wholesale Trade	180	1.5%
Other Industry Sectors	781	6.6%
Total:	11,869	100.0%

b. The Top Ten Sector by registered R&D expenditure (DIIS, as at 30 September 2015)

R&D Tax Incentive (income year 2014)

Top Ten industry sectors: value and share of registered R&D expenditure

Industry Sector	Registered R&D expenditure	
Manufacturing	\$6,305,291,970	32.3%
Mining	\$3,403,843,188	17.4%
Professional, Scientific and Technical Services	\$2,867,321,791	14.7%
Financial and Insurance Services	\$2,187,352,918	11.2%
Information Media and Telecommunications	\$1,643,015,679	8.4%
Construction	\$ 669,894,003	3.4%
Electricity, Gas, Water and Waste Services	\$560,554,127	2.9%
Agriculture, Forestry and Fishing	\$469,700,168	2.4%
Transport, Postal and Warehousing	\$355,078,073	1.8%
Retail Trade	\$218,318,377	1.1%
Other Industry Sectors	\$865,060,579	4.4%
Total:	\$19,545,430,873	100.0%

c. Registered R&D expenditure for registrations with an aggregated turnover of above and below \$20 million (DIIS, as at 30 September 2015)

R&D Tax Incentive (income year 2014)

Registered R&D expenditure by firms size (turnover)

Turnover	Registered R&D expenditure	
>=\$20,000,000	\$14,085,147,072	72.1%
<\$20,000,000	\$ 5,460,283,801	27.9%
Total:	\$19,545,430,873	100%