

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2012-13
28 and 29 May 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: R&D Tax Concession – Legal Costs

REFERENCE: Question on Notice (Hansard, 29 May 2012, page 29)

QUESTION No.: BI-67

Senator COLBECK: I have some quick questions on the R&D tax changes. I want a couple of specific numbers. I want to know how much has been spent on advertising and on legal advice in relation to the change from the R&D tax concession to the R&D tax incentive.

Mr Wilson: In answer to your first question regarding advertising for the R&D tax incentive for the financial year 2011-12, we have spent \$144,478 on advertising and marketing.

Senator COLBECK: You have said 2011-12. Was there any expenditure prior to that?

Mr Wilson: No. There was not, given that the legislation had not passed until this financial year.

Senator COLBECK: Anything projected?

Mr Wilson: For the remainder of this financial year, we expect to expend around \$40,000 on additional advertising leading up to the start of registration under the new program.

Senator COLBECK: So it will take it up to about \$185,000?

Mr Wilson: That is correct, yes.

Senator COLBECK: And anything budgeted beyond that?

Mr Wilson: For the next financial year, we have budgeted for about \$210,000 in 2012-13 for advertising and marketing activities.

Senator COLBECK: Legal advice?

Mr Wilson: There is an amount of legal administered funding available under the program. For this financial year, we have expended \$1.329 million on legal costs. This relates to both the tax incentive and the R&D tax concession program.

Senator COLBECK: So you have expended \$1.329 million to date. Anything prior to that? This has been going on for a while. I would have thought there would be a bit of expenditure on legals around this process for a period of time.

Mr Wilson: We will have to take that on notice. I do not have the figures here for previous years.

ANSWER

The expenditure on legal advice in relation to the change from the R&D Tax Concession to the R&D Tax Incentive is:

- 2009-10: \$165,539 (GST exclusive)
- 2010-11: \$4,567 (GST exclusive)
- 2011-12 (to 31 May 2012): \$74,171 (GST exclusive)