

9 September 2021

R&D Tax Policy
AusIndustry
Department of Industry Science, Energy and Resources
10 Binara St
Canberra ACT 2601

via email: R&DTaxPolicy@industry.gov.au

Dear Sir/Madam

Industry Research and Development review: decision-making principles and regulations

We welcome the review of the Industry Research and Development decision-making principles and regulations as they could better inform small businesses about the eligibility of their research and development activities. As such we offer the following comments:

1. Section 4.2(2) of the *Industry Research and Development Decision-making Principles 2011* (Cth) should be amended to ensure that advisory material is practical for small businesses. The current advisory material published by AusIndustry does not provide small businesses with clarity on the eligibility of their activities without the need for expert advice. We recommend that the legislative instrument be altered to ensure that when the Board refuses to make a finding on small businesses' R&D activities, small businesses are able to access advisory material that conveys why the board has refused to make a finding and what is needed to improve the eligibility of their activities.
2. Consideration should be given to providing advisory materials developed in collaboration with the ATO to ensure that there is consistent information across all roles and responsibilities of the Research and Development Tax Incentive (R&DTI) program. Whilst the ATO does not assess the eligibility of R&DTI activities, small businesses are still guided by their advisory material when using the tax incentive. Collaboration on any published advisory material is critical to ensure the provision of a single source of guidance on how to use the R&DTI program.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Paul Buckingham on 02 6243 7821 or at Paul.Buckingham@asbfeo.gov.au.

Yours sincerely



The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman