

# R&D Tax Incentive State Reference Group

**March 2022**

AGENDA		
Time	Item	Speaker
5 mins	<b>1. Welcome</b> 1.1. Roll-call for WebEx dial ins 1.2. House keeping 1.3. Acknowledgement of country	Facilitator
30 mins	<b>2. ATO Update</b> 2.1. Update 2.2. Questions	Brett Challans Facilitator
45 mins	<b>3. AusIndustry Update</b> 3.1. R&DTI customer portal 3.2. Registrations update 3.3. Legislative update 3.4. Research Service Providers 3.5. Program guidance & Determinations 3.6. Large business reviews 3.7. Questions	Keelie Williams Kelley Wiggins and Tom Gilbert Kelley Wiggins / Lyndall Milward- Bason Chris Enders Nadia Rosenman Facilitator
10 mins	<b>4. Roundtable Update</b>	Chris Enders
5 mins	<b>5. Meeting Close</b>	

## 1. Welcome

Each meeting commenced with an Acknowledgement of Country, welcome to attendees and roll call.

The facilitator advised on some changes being trialled to improve the value of the State Reference Groups (SRGs) for participants:

- The R&D Tax Incentive (R&DTI) program update was provided in writing ahead of the meeting (refer to appendix A) to remove the need for presentation slides and enhance the opportunity for participants to ask questions during the meeting.
- On-line meetings are no longer formed into state-based groups. This is not relevant for in-person meetings that may be offered in the future as these will still be conducted in DISER state offices.
- Feedback on these new features or any other aspect of the meetings was encouraged and can be sent to AusIndustry at [rdti.engagement@industry.gov.au](mailto:rdti.engagement@industry.gov.au)

## 2. ATO Update

Brett Challans (ATO) advised the following:

- The final version of the “At Risk” Taxation Ruling, TR 2021/5, was published in December 2021.
- This was coupled with the release of Tax Determination TD 2021/9 on Job Keeper payments which focuses on notional deductions for R&D activities subsidised by Job Keeper and is linked to the “At Risk” rule.
- The ATO considered all feedback submitted on the draft versions of these new guidance products.
- The final ANAO report was tabled in parliament in November 2021 and is available on their website. The ATO was rated largely effective in its administration and is addressing the ANAO’s recommendation to establish monitoring and reporting arrangements for its compliance activities.
- The Board of Taxation also finalised their review and provided this to the Treasurer. There has been no announcement made on whether this report will be made public.
- Further guidance on the legislative reforms that take effect from 1 July 2022 will soon be published on [ato.gov.au](http://ato.gov.au). It has not happened before now as the ATO did not want to confuse users about forthcoming changes while the existing legislation is in force.
- The ATO is reviewing its website content and upgrading its guidance products. The website will be restructured to present information in a modular format and search functions will be improved to assist user navigation. Guidance will only be published on the website to enable real-time updates. Additional guidance will be offered on record keeping, payments to associates, apportionment, and the nexus between expenditure and activities.
- Further guidance on record-keeping and expenditure for software-related activities will be developed in collaboration with the Tech Council of Australia and AusIndustry.
- The ATO will also work with AusIndustry to jointly develop a start-up guide to help new companies set up good governance practices from their outset.

## 3. AusIndustry Update

### 3.1 R&DTI Customer Portal (Keelie Williams)

- The system release on 27 February 2022 included the following updates:
  - Adding capability to download and print the application form and Advance and Overseas Finding application form at any stage of the process.
  - Enabling application due dates to take public holidays and weekends into account.

- Incorporating the full set of questions for activities undertaken by a Research Service Provider or Cooperative Research Centre.
- No major updates are planned for 2022, however, the Australian and New Zealand Standard Research Classification (ANZSRC) codes will be updated to the 2020 version around mid-year. This will bring the portal in line with changes introduced by the updated *Industry Research & Development Regulations 2022*.
- All feedback regarding the portal is welcomed and considered and can be sent to [rdti.engagement@industry.gov.au](mailto:rdti.engagement@industry.gov.au). There are limitations on changes that can be made given capital restrictions but all items are catalogued and reviewed for potential service and operational improvements.

Keelie shared AusIndustry's response to feedback that was provided by a SRG participant prior to the sessions:

- *Removal/addition of questions* - questions are unlikely to change in future planned releases as they are working well for application processing and many stakeholders have asked for stability with the portal form so they can bed down their own internal processes.
- *Increasing character limits* - we acknowledge that some fields are problematic for users and we will address this for the fields limited to 1,000 characters. The larger fields allowing 4,000 characters will not be changed.
- *Ordering of projects and activities* – presently, ordering can be controlled by your naming/numbering conventions, however, we understand there is a desire for more control over this section and will consider this further.
- *Transferring data from prior applications* - a second application in the portal for the same R&D entity will prefill with all fields that are generally not expected to change between financial years. These benefits should be more visible for users soon.
- *Ability to edit applications outside of the portal* - the ability to work with forms that can be uploaded or otherwise edited outside of the portal presently falls outside our development scope which is seeking improvements within the portal.
- *R&D consultant and tax agent fields* – some portal users have pointed out a perceived duplication in providing contact details when they are both a Tax Agent and R&D Consultant. Where this applies, an advisor only need to fill out the tax agent contact details.
- *Removing entities from portal* – the feedback requested the ability to remove entities from an advisor's portal where you have been authorised by accident or some other reason. This issue will be investigated.
- *MyGovID and RAM* – all feedback received on these services is passed to the ATO as the owner of these systems. These whole of government services will continue to apply to the portal to enable digital security and authorised data access.

## 3.2 Registration Update (Kelley Wiggins & Tom Gilbert)

### 30 April Deadline

- The deadline to submit registrations for R&D entities with a 1 July to 30 June income year is 30 April (being 10 months after the end of financial year in which R&D activities are undertaken). As 30 April falls on a Saturday this year and the next business day, Monday 2 May, is a public holiday in Queensland and the Northern Territory. The portal will accept registrations until Tuesday 3 May 2022.
- This is the first April deadline since the introduction of the customer portal in July last year. Accessing the portal for the first time involves additional steps so advisors are encouraged to get their clients to access the portal early and allow sufficient time to complete the process.

- Where assistance is required, advisors were encouraged to seek support from DISER on 13 28 46 as early as possible so the AusIndustry team has more capacity to assist everyone in the lead up to the deadline.
- The current average processing timeframe for registration applications is 6 days. Resourcing will be increased during the peak period to ensure applications are processed as quickly as possible. Given that 30% of applications are submitted in the final week of April, processing times are likely to be extended during the peak period.

The following advice was offered for preparing registration applications:

- Ensure you select the correct income year when you commence the application as there is no way to amend this later. If you do make an error in the income year, you will need to start a new application.
- Read the questions in the application form carefully and answer all parts to each question. In particular, please note that there are two parts to the unknown outcome question. In addition, you need to state your hypothesis in terms of the unknown outcome described.

### 30 June Deadline

- Due to recent process improvements, most Advance and Overseas Finding (AOF) applications are processed in 100 days or less.
- The peak submission for AOFs occurs around the 30 June deadline. This impacts our workflows and creates an annual cycle similar to registration applications. Any AOFs submitted in the peak period may experience longer processing times.
- To assist us with more rapid assessment applicants can:
  - Provide sufficient information in their submission, including samples of the evidence that you that relates to your R&D as attachments
  - Respond to any request for information (RFI) in a timely manner as a case cannot be finalised until a response is received
  - If required, contact us for clarification on our guidance or information requests.. The Case Manager's details will be available on any correspondence we send to you.

### 3.3 Legislative Update (Kelley Wiggins/Lyndall Milward-Bason)

- The legislative changes foreshadowed in the program update document have progressed. The *Industry Research and Development Regulations 2022* were registered on the Federal Register of Legislation and commenced 22 March 2022. The *Industry Research and Development Decision-making Principles 2022* will be registered by the end of March.
- Key changes include:
  - Extension of time requests will change from 90 to 92 days so that a 3 month extension will equate to the same number of days regardless of the month of application.
  - Research classification fields used in various application forms will transition from the ANZSRC 2008 to the latest version in ANZSRC 2020. ANZSRC (Australian and New Zealand Standard Research Classification) is a statistical classification used for measuring and analysing R&D. This update will be applied to Research Service Provider (RSP) renewal applications from 1 May 2022, AOF applications lodged for 2021/22 from 30 June 2022 and is expected to be applied to all registration application from 1 July 2022.

### 3.4 Research Service Providers (Kelley Wiggins)

- Research Service Provider (RSP) renewals for the 2022/23 financial year must utilise the updated field of research codes included in ANSZRC 2020 for the next application period which commences on 1 May 2022.

- RSPs will need to review the field of research codes used in their current registration and determine the corresponding new code that applies.
- Only the ANZSRC 2020 codes and descriptions can be used for upcoming renewal applications.
- The ABS website provides guidance and downloadable tables called data cubes for the revised ANZSRC 2020 codes. A correspondence table for ANZSRC 2008 to ANZSRC 2020 is also available on the ABS website.
- There are three classifications for ANZSRC - Type of Activity (ToR); Field of Research (FoR); and Socio-economic Objectives (SEO). RSPs need to review the Field of Research (FoR) codes to complete a renewal application.
- R&D entities that use an RSP will need to complete the application questions that relate to the criteria for core R&D activities.
- R&D entities that use RSPs are still responsible for the self-assessment of the R&D activities. Using an RSP does not automatically mean that the activities they undertake are eligible core activities as the RSP may not be conducting a systematic progression of work for example, if they are simply undertaking data collection or analysis.
- It is not the role of the RSP to advise an R&D entity regarding the eligibility of an activity. The entity itself is responsible for self-assessment of any activities claimed for the tax incentive.

### 3.5 Program Guidance & Determinations (Chris Enders)

#### Determinations

- The Minister for Industry, the Treasurer, and the Minister for Health announced the public consultation on the first R&D Tax Incentive program determination on clinical trials on 20 January 2022.
- Consultation activities included two online briefing sessions, which included representatives from the ATO, Department of Health and Health sector, and Austrade.
- The public consultation period closed on 17 February 2022 attracting 11 submissions from large tax agents and consulting companies, industry associations, and entities in the biotech sector. Sentiment on the draft determination was positive.
- The determination has been revised as appropriate and is being finalised as the *Industry Research and Development (clinical trials, Phase 0, I, II, III, pre-market pilot stage, pre-market pivotal stage, for an unapproved therapeutic good) Determination 2022*.
- The determination will go to the Federal Register of Legislation by May 2022, coming into effect within 3-5 days of registration.
- The determination will facilitate registration with the R&D Tax incentive program by reducing the amount of information required in registering to a minimum for activities covered by the determination. It also offers certainty that phase 0, I, II III, pre-market pilot stage and/or pre-market pivotal stage clinical trials for an unapproved therapeutic good are 'core R&D activities.' It is binding on the IISA Board, its delegate, and the Commissioner of Taxation, and so offers a great degree of assurance to companies for whom it is applicable.
- The release of the determination will be accompanied by short, simple guidance on how to apply the determination.

#### Software Guidance

- Software-related R&D activities have always been a major part of the R&DTI, comprising over 40% of total registrations (over 5,500) and over 30% of R&D expenditure (\$4.7 billion) in 2019-20.

- The rapidly evolving nature of the industry has highlighted the need to update guidance and support companies in self-assessing the eligibility of their software-related activities.
- The release of the 'Software-related activities and the R&D Tax Incentive' guide represents the first of four modules planned to help educate companies.
- This modular approach allows AusIndustry and the ATO to continue updating program guidance in alignment with our understanding of the software sector, gained from our consultations with key stakeholders. Future modules will cover record-keeping, sector-specific case studies, exploration of prominent classes of software-related R&D activities and video content designed to support applicant registrations.
- The draft guide was open for public consultation from May 2021 to June 2021. Twenty six submissions were received, reviewed and incorporated into the guide where possible, or will help shape future modules.
- AusIndustry worked with the ATO, as well as the Tech Council of Australia to hold workshops and meetings to co-develop this finalised guidance. Industry consultation and collaboration has been a successful approach and will be repeated for future guidance products that may be revised or created.

### 3.6 Large Business Review (Nadia Rosenman)

- The Large Business Review (LBR) program will continue in 2022, after finalising some reviews last year.
- LBRs are an assurance product that involves AusIndustry working with a company to understand how they self-assess for the R&DTI and to address any compliance issues, should they arise. The aim is similar to the cooperative compliance approach used by the ATO's justified trust programs.
- AusIndustry consults with the ATO in the selection of companies for LBRs and aims to work with them to ensure a co-ordinated approach.
- When a company is assessed as 'doing the right thing', a review is not generally undertaken for four years.

## 4. Roundtable Update

Chris Enders provided a recap of the last meeting of the R&DTI Roundtable held on Thursday, 10 March 2022. The full meeting summary is made available on [business.gov.au](https://business.gov.au). Some key points of interest included:

### Tech Council of Australia collaboration on revised guidance for software activities

- Kate Pounder, CEO of Tech Council Australia (TCA) addressed members in relation to the TCA's involvement in developing in the development of the revised software guidance a key stakeholder. Key points were:
  - It can be difficult to apply traditional definitions of R&D to software related development so they aimed to use plain English and provide practical examples that speak to the industry in the revised guidelines.
  - The overall aim was to provide more clarity around the program requirements where companies consistently struggle.
  - The collaborative process focused on addressing these areas of uncertainty.
- AusIndustry and the ATO valued input from the TCA and other stakeholders in developing the revised guidance. This is a process that we would look to repeat in the future with other sectors.

### **Covid-19 impacts on business R&D**

- Roundtable members shared insights on the impact of COVID-19 on business and their R&D. Key points included:
  - Innovations in information technology has allowed many organisations to survive, if not thrive in pandemic conditions.
  - Skills shortages have massively impacted many industry sectors and restrictions to skilled migration have exacerbated existing issues.
  - Supply chain issues are significant for industries where equipment and material is required from overseas. The conflict in Europe has exacerbated pandemic pressures.
  - Domestic supply chains have been further impacted by recent flooding in Australia.

### **Roundtable Working Groups**

- Roundtable members will be invited to engage in two separate working groups for a detailed discussion and input on improvement projects; one related to the advance and overseas finding application process, and the other regarding improved promotion of registered research service providers (RSPs) and opportunities to increase company awareness and access of RSPs.
- The working groups will likely be held in late April/May.

**End of Summary**

## Appendix A

# R&D Tax Incentive Program Update

This program update covers:

1. [Determinations](#)
2. [New software guidance](#)
3. [Customer portal](#)
4. [Legislative updates](#)
5. [30 April deadline advice](#)
6. [Research Service Providers registration renewals](#)
7. [Large Business Review program](#)
8. [Registration data](#)

## 1. Determinations

### What is a determination?

What is a determination? Enhancements to the R&D Tax Incentive program empower the Industry, Innovation and Science Australia Board to make determinations. A determination sets out how the Board will exercise its powers and duties under the Industry Research and Development Act 1986 (IR&D Act) when administering the R&D Tax Incentive program. When a determination is in force, it is binding on the Board and its delegates as well as the Commissioner for Taxation. A determination may, for instance, provide businesses with certainty that activities that are the subject of the determination meet the requirements for being 'core R&D activities' under the R&D Tax Incentive. Additionally, some determinations will facilitate access to the program by reducing the amount of information required in applications. Determinations may streamline compliance and provide certainty for companies conducting activities that fit within a determination.

The first determination offers certainty that phase 0, I, II, III, pre-market pilot stage and/or pre-market pivotal stage clinical trials for unapproved therapeutic goods are 'core R&D activities.'

### Consultation update

On 20 January 2022, the Minister for Industry, Energy and Emissions Reduction, the Minister for Health, and the Treasurer launched public consultation on the program's first determination. The draft *Industry Research and Development (clinical trials, Phase 0, I, II, III, pre-market pilot stage, pre-market pivotal stage, for an unapproved therapeutic good) Determination 2022* will facilitate applications for certain clinical trials and streamline administration. Consultation activities included two online briefing sessions, which were well attended and included representative from the ATO, Department of Health and Health sector, and AusTrade. Consultation closed on 17 February 2022, with submissions received from 11 entities including large tax agents and consulting companies, industry associations, and the BioTech sector. It is anticipated that, once



consultation input has been integrated, the determination come into effect within the next month. The release of the determination will be accompanied by guidance on how to apply the determination when registering for the program.

## 2. Software Guidance

In March 2022, the Department expects to release its latest guidance for the R&D Tax Incentive program: *Software-related activities and the Research and Development Tax Incentive*. This new guide aims to assist businesses conducting software-related R&D to more accurately self-assess the eligibility of their activities under the program.

The new software guide has been co-designed with stakeholders that possess a deep understanding of the software development sector. Public consultation was sought from 17 May to 18 June 2021 and attracted 26 industry submissions. The Department continues to work actively with the Techn Council of Australia and the Australian Taxation Office, the program's joint administrator, to develop new guidance for software-related activities.

Key updates to the new software guide include:

- additional software-specific R&D examples
- revised case study to provide additional detail and illustrate the self-assessment process using the customer portal registration form
- updated guidance regarding the software exclusion to align it with all other exclusions listed in subsection 355-25(2) of the ITAA 1997 (NB: core R&D activities subject to the software activity exclusion may still be assessed as supporting R&D activities)
- providing links to supporting resources.

*Software-related activities and the Research and Development Tax Incentive* is the first of several modules planned to help businesses assess the eligibility of their software activities. Future modules will include:

- record-keeping in software-development
- sector-specific case studies
- expanded reference to prominent classes of software-related R&D activities
- video content designed to support applicant registrations.

The new software guide is due to be released in March 2022 and will be available on the business.gov.au website. Access will be facilitated through the Department's various communication channels.

## 3. Customer portal

On 27 February 2022, a set of enhancements were made to the R&D Tax Incentive Customer Portal. This release included the following changes:

- ability to download a drafted Registration or Advance and Overseas Finding application form directly from the application dashboard
- updated submission deadlines to next business day when they fall on a weekend or public holiday
- activities undertaken by a Research Service Provider or Corporative Research Centre will now need to complete all core or supporting activity questions – not a subset as previously required.

No other major updates are planned for the customer portal for the remainder of 2022. There will be a minor release in June 2022 to update the Australian and New Zealand Standard Research Classification (ANZSRC) codes. This change will align the portal with the remade *Industry Research and Development Regulations 2011*

by updating the ANZSRC classification codes from the 2008 version to the 2020 version. (See below for further information on the changes to the programs legislative instruments).

The Department is currently considering implementing improvements to the Advance and Overseas Finding (AOF) form in 2023. The aim would be to better integrate the AOF form with the application for registration and to reduce the need for follow up requests for information to assess AOF requests. A working group will be established to investigate options and provide feedback on potential changes.

If further updates to the portal are required in 2022, a notification will be placed on our portal help and support [webpage](#) together with updates at the next Roundtable and State Reference Group meetings.

## 4. Legislation updates

### Remaking instruments due to sunset on 1 April 2022

The *Industry Research and Development Regulations 2011* and the *Industry Research Decision-making Principles 2011* under the *Industry Research and Development Act 1986* are expected to be remade before they are due to sunset on 1 April 2022, with minimal changes to ensure continuity of R&D Tax Incentive program administration. Once the 2022 instruments are made, the 2011 versions will cease to have effect.

The Regulations set out matters relating to approved forms, findings certificates, and criteria for research service providers. The Decision-making Principles apply in relation to decisions in relation to extensions of time, refusal to make requested findings, and variations of registrations.

#### Likely key changes - Regulations

<b><i>Industry Research and Development Regulations 2022</i></b>	<b><i>Industry Research and Development Regulations 2011</i></b>
Research Service Providers register against field of research classifications mentioned in the Australian and New Zealand Standard Research Classification (ANZSRC) 2020	Research Service Providers register against field of research classifications mentioned in the Australian and New Zealand Standard Research Classification (ANZSRC) 2008
Research Service Providers are no longer required to demonstrate that they are 'competent', as described in Subsection 3.02(3) under the Industry Research and Development Regulations 2011.	Research Service Providers are required to demonstrate that they are 'competent', as described in Subsection 3.02(3), in addition to other criteria and conditions.

#### Likely key changes – Decision-making Principles

<b>New Law</b>	<b>Current Law</b>
Extensions of time are typically limited to 92 days.	Extensions of time are typically limited to three months.

The Regulations and Decision-making Principles are an important part of the Research and Development Tax Incentive and can be accessed from [legislation.gov.au](http://legislation.gov.au).

## Patent box tax offset

The patent box legislation, *Treasury Laws Amendment (Tax Concession for Australian Medical Innovations) Bill 2022*, was introduced into the House of Representatives on 10 February 2022. This legislation provides preferential tax treatment to R&D entities from 1 July 2022 on income derived from patents granted or issued after 11 May 2021 for medical or biotechnology innovations, to the extent that they are underpinned by R&D activities conducted in Australia with the support of the R&D Tax Incentive. For more information, please go to the Bills page of the [aph.gov.au](http://aph.gov.au) [website](#).

## Digital Games Tax Offset (DGTO)

The Government remains on track to release exposure draft legislation and draft explanatory memorandum on the DGTO for public comment in the first quarter of 2022. We anticipate the consultation period will last about a month and will be available on the Treasury website in due course.

## 5. 30 April deadline advice

The R&DTI deadline for applicants with a financial year that ended on 30 June 2021 is **3 May 2022**. This deadline has been amended from 30 April 2022 as it falls on a Saturday and because the next business day is a public holiday in Queensland and the Northern Territory.

From 5 July 2021 all R&DTI applications must be submitted through the new customer portal. Registration processing during 2021 indicated that many applicants did not allow sufficient time to set up their customer portal account to enable their application to be submitted by the statutory deadline. This resulted in a high number of last-minute calls to our contact centre and many avoidable requests for an extension of time.

To avoid significant processing delays created by numerous extension of time requests in the peak April period, we are advising applicants to establish portal access well ahead of the 3 May deadline. We also ask that tax agents and R&D consultants remind their clients that the principal authority for an R&D entity must first establish access to the portal before they are able to grant authority for others to access the portal on their behalf.

An information campaign to advise program applicants of the multi-step process to access the portal is underway. Notifications are occurring through social media posts, e-newsletters and portal information sessions. [Step by step instructions](#) to access the portal for the first time can be found on the [business.gov.au](http://business.gov.au) website.

To access the R&DTI customer portal, the entity's Principal Authority must set up a myGovID and connect this to the entity's ABN through the ATO's Relationship Authorisation Manager (RAM). This essential step must be completed by the Principal Authority before any employees, tax agents or consultants can be authorised to access the portal on the entity's behalf.

Portal access must be established **before** an R&DTI application can be submitted. [Help and support](#) and step-by-step guidance is available on the [business.gov.au](http://business.gov.au) website.

## Hints and tips for applying

Since July 2021 we've processed over 5,000 applications in the customer portal and offer the following tips:

- When completing your application in the customer portal, remember to save your work regularly as the portal will not save automatically.
- Ensure you select the correct financial year before starting your application.
- You can change the financial year for a draft application by deleting the draft application in the portal and beginning a new application for the correct financial year.
- If you have requested an overseas finding, and submit your registration application before the finding is made, include the overseas activities in your application (noting a finding has been requested).
- There's no need to vary your application to include advance and overseas finding numbers as they will be in our application system.
- All requests for an extension of time must be submitted through the portal.
  - For requests of 14 days or less, you will need to explain the reason for your request and demonstrate that 14 days will be sufficient to submit your application. 14 day extensions will be automatically approved if they are requested BEFORE the deadline.
  - For extensions requests made AFTER the deadline, or for longer periods, you must also provide evidence to support your reason for the request.
  - Remember, extensions of time cannot exceed 92 days after the statutory deadline (and only 90 days under the 2011 Decision-making principles – refer section 4 above)

## Help and support

Help and support for the customer portal can be accessed online at:

- [help and support](#) pages on business.gov.au
- an information session - [Guide to the accessing the customer portal](#)

Or you can call for assistance:

- setting up your myGovID or RAM – contact the ATO at 1300 287 539
- using the portal - contact AusIndustry at 13 28 46

## 6. Research Service Provider renewals

The deadline for Research Service Providers (RSPs) to renew their registration for the 2022/23 financial year is **30 June 2022**.

As noted in item 4 above, the new *Industry Research and Development Regulations 2022* (the new Regulations) are expected to replace the current *Industry Research and Development Regulations 2011* before they sunset on 1 April 2022. Under the new regulations, RSPs will be required to update the research field/s for which they wish to be registered using codes in the Australian and New Zealand Standard Research Classification (ANZSRC) 2008 to those in ANZSRC 2020. There are significant changes across all components of the ANZSRC classifications between the 2008 to 2020 iterations.

Information on ANZSRC 2020 is available on the Australian Bureau of Statistics [website](#). RSPs should review their research services and be careful to assign the relevant ANZSRC 2020 codes.

Further information will be provided on the changeover to ANZSRC 2020 in forthcoming R&D Tax Incentive e-Bulletins and the annual renewal notices sent to all registered RSPs on 1 May 2022.

## 7. Large Business Review program

AusIndustry is continuing this year with our Large Business Review (LBR) program. LBRs are an opportunity for AusIndustry to engage with the biggest participants in the R&DTI program and provide assurance in relation to the eligibility risks facing those participants. Individual companies are selected by AusIndustry in consultation with the ATO, covering a variety of industries and types of R&D activities. We aim to work closely with selected companies over an approximately 6 month period to:

- provide tailored education and guidance on eligibility risks to improve future registrations
- promote good record keeping and self-assessment practices
- identify, evaluate and work through potential compliance issues.

## 8. Registration Data

The below figures have demonstrate R&D Tax Incentive registrations for the 2020/2021 incomplete income period. This is the most recent dataset for the period due to the application period closing 10 months after the end of the financial year.

Please note that where the count of registrations for a metric is less than 5, or expenditure is below 1 million dollars, the information is not presented. Data is obtained from 31 January 2022.

### Overall registrations (AusIndustry – Incomplete 2020/21 Income Period)

R&D Tax Incentive Program Data	
Number of Registrations	5,988
Expenditure ( <b>billion</b> )	\$8.17

### Overall claims (ATO)\*

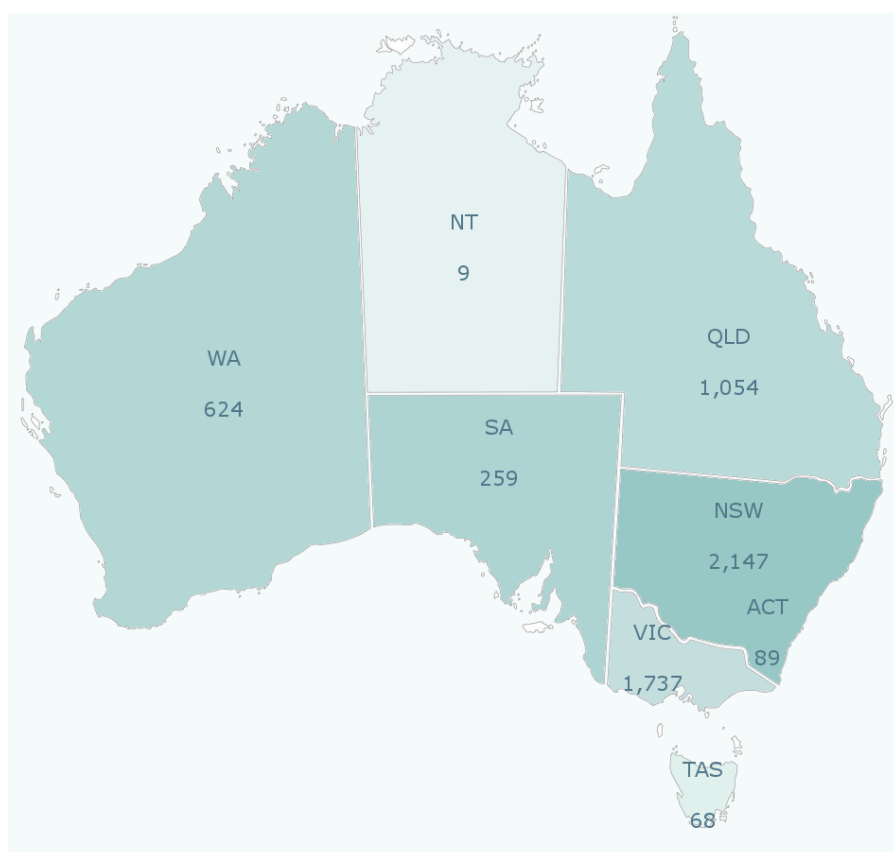
	Refundable	Non-Refundable
Number of Claims	10,086	1,353
Expenditure ( <b>billion</b> )	\$2.54	\$2.11

\* Please note these ATO data in the above table relate to the complete year 2019-20, not the incomplete year 2020-21.

### Comparison by organisation size (Incomplete 2020/21 Income Period)

	SMEs	Large Companies
Number of Registrations	5,221	767
Expenditure ( <b>billion</b> )	\$4.11	\$4.06

### Comparison by States and Territories (for top 5 sectors, Incomplete 2020/21 income period)



### Comparison by sector (Top 5 Sectors, Incomplete 2020/21 income period)

	Services	Manufacturing	Mining	Agriculture	E,G,W & WS*
Number of Registrations	3,898	1,510	210	217	153
Expenditure (million)	\$4,637	\$2,146	\$927	\$263	\$198

\*Electricity, Gas, Water & Waste Services

### Comparison by sector – NSW (Top 5 Sectors, Incomplete 2020/21 income period)

	Services	Manufacturing	Mining	Agriculture	E,G,W & WS*
Number of Registrations	1,534	476	30	53	54
Expenditure (million)	\$2,248	\$862	\$94	\$52	\$129

#### Comparison by sector – QLD (Top 5 Sectors, Incomplete 2020/21 income period)

	Services	Manufacturing	Agriculture	Mining	E,G,W & WS*
Number of Registrations	602	330	51	49	23
Expenditure (million)	\$402	\$372	\$45	\$109	\$13

#### Comparison by sector – WA (Top 5 Sectors, Incomplete 2020/21 income period)

	Services	Manufacturing	Agriculture	Mining	E,G,W & WS*
Number of Registrations	313	157	28	97	29
Expenditure (million)	\$268	\$124	\$31	\$516	\$13

#### Comparison by sector – SA & NT\*\* (Top 5 Sectors, Incomplete 2020/21 income period)

	Services	Manufacturing	Agriculture	Mining	E,G,W & WS*
Number of Registrations	148	85	15	11	9
Expenditure (million)	\$142	\$91	\$7	\$48	\$4

#### Comparison by sector – VIC (Top 5 Sectors, Incomplete 2020/21 income period)

	Services	Manufacturing	Agriculture	Mining	E,G,W & WS*
Number of Registrations	1,203	433	50	17	34
Expenditure (million)	\$1,491	\$679	\$55	\$156	\$34

#### Comparison by sector – TAS (Top 5 Sectors, Incomplete 2020/21 income period)

	Services	Manufacturing	Agriculture	Mining	E,G,W & WS*
Number of Registrations	25	19	18	5	<5
Expenditure (million)	\$15	\$14	\$73	\$4	<\$1

\*Electricity, Gas, Water & Waste Services

\*\* Combined for confidentiality reasons.