



An Australian Government Initiative



R&D Tax Incentive: Why conduct your R&D with a Research Service Provider?

Information sheet

The R&D Tax Incentive

The **R&D Tax Incentive** is the Australian Government's principal measure to encourage industry investment in research and development. It is a broad-based, market-driven program that aims to boost company competitiveness, improve productivity and deliver economy-wide benefits to Australia.

The **R&D Tax Incentive** replaces the **R&D Tax Concession** from 1 July 2011 and is jointly administered by AusIndustry (on behalf of Innovation Australia) and the Australian Taxation Office (ATO).

Who are Research Service Providers?

Research Service Providers (RSPs) are entities registered by AusIndustry (on behalf of Innovation Australia) as being capable of providing scientific or technical expertise and resources to perform research and development (R&D) on behalf of other companies.

RSPs must satisfy criteria specified under the **R&D Tax Incentive** legislation¹ relating to their staffing, facilities, capability and capacity to provide R&D services, and pricing structure.

Registration is given in respect of specified fields of research that the entity has shown it is capable of undertaking. The fields of research are taken from the research categories in the *Australian and New Zealand Standard Research Classification (ANZSRC) 2008*.

What are the benefits of using a RSP?

- ▶ Companies that use the services of a RSP are not required to meet the \$20,000 expenditure threshold for the **R&D Tax Incentive**.
- ▶ RSPs provide companies with access to expertise in Australia's public and private R&D organisations, and the benefits of services supported by R&D facilities, equipment and infrastructure.
- ▶ RSPs assist in improving the overall effectiveness of Australia's R&D effort through collaboration.
- ▶ Companies using a RSP are assured that an entity registered as a RSP has met a set of criteria relating to their ability to provide quality R&D services.

How can I contact a RSP?

A public register of RSPs is available on AusIndustry's website and is published each year in the Innovation Australia Annual Report.

The public register provides:

- ▶ details of the RSP;
- ▶ the fields of research they are registered to perform; and
- ▶ contact details for the RSPs.

1. The criteria for RSP registration is contained in Part 3 of the *Industry Research and Development Regulations 2011*. See the AusIndustry website for more information.

Where do I go for more information?

For information on registration and eligibility of R&D activities, contact AusIndustry

- ▶ Visit the website | www.ausindustry.gov.au
- ▶ Call the AusIndustry hotline | 13 28 46
- ▶ Email the AusIndustry hotline | hotline@ausindustry.gov.au



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