



31st August 2012

Mr Chris Lyon
General Manager
Business Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: R&DQuarterlyCredits@treasury.gov.au

Dear Chris

R&D Tax Incentive: quarterly credits

Thank you for the opportunity to provide comment on the '*R&D Tax Incentive: quarterly credits, Consultation Paper*', August 2012.

As you are aware, the Association of Mining and Exploration Companies (AMEC) is the peak national industry representative body for mineral exploration and mining companies within Australia.

AMEC's strategic objective is to secure an environment that fosters mineral exploration and mining in Australia in a commercially, politically, socially and environmentally responsible manner.

AMEC notes and strongly supports the provision of the R&D Tax Incentive as a mechanism by which the Government can promote business investment in innovation and R&D activities. This in turn will deliver wider benefits in the 'national interest', and reduce compliance and administrative costs to Government and industry.

AMEC also notes and endorses the observation made in the Foreword by the Assistant Treasurer and the Minister for Industry and Innovation, that '*R&D quarterly credits will be a new, important part of the R&D Tax Incentive for small and medium sized companies.....will allow these companies to access their benefits sooner, improving their cash flow and incentives to invest in R&D*'.

AMEC is generally supportive of the proposed design of the R&D quarterly credits scheme, but would suggest that 'first time' R&D claimant companies should also be eligible to access the quarterly payment system. Although AMEC understands the need for a company to have a history with the R&D Tax Incentive, it would seem appropriate that 'first time' claimants

Association of Mining and Exploration Companies

info@amec.org.au | www.amec.org.au

Perth Head Office:
6 Ord Street, West Perth WA 6005
PO Box 948, West Perth WA 6872
P: 1300 738 184 | F: 1300 738 185

Queensland Office:
Level 7, Suite 39, 320 Adelaide Street
Brisbane QLD 4000
P: +617 3010 9287 | F: 1300 738 185 | M: 0402 142 367

New South Wales Office:
Level 3, 66 Hunter Street
Sydney NSW 2000
P: 1300 738 184 | F: 1300 738 185 | M: 0424 140 202

should also have the opportunity of applying through Innovation Australia for access to the scheme.

AMEC is also concerned with a potential duplication of work by Innovation Australia in respect of the requirement for companies to be assessed at both the quarterly notification step as well as the end of year registration.

In the meantime, AMEC is extremely concerned that the R&D Tax Incentive scheme is one of the initiatives being reviewed by the Government's Business Tax Working Group in order to fund a reduction in the company tax rate.

Any such decision by the Government will be premature and in conflict to the benefits stated by both the Assistant Treasurer and the Minister for Industry and Innovation that the R&D Tax Incentive scheme provides. AMEC will be making a separate submission to that consultation process.

Thank you for the opportunity of making comment. If you have any queries on the content of this correspondence please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Simon Bennison', with a long horizontal flourish extending to the right.

Simon Bennison
Chief Executive Officer