



## R&D Tax Concession - *Registered Research Agencies (RRAs) for R&D*

### Fact sheet

#### Access to R&D expertise for small companies

An important part of the Government's commitment to research and development (R&D) is assisting small companies to access expert R&D services, particularly those residing in public sector research organisations.

The *Industry Research and Development Act 1986* provides for the establishment of Registered Research Agencies (RRAs). An RRA is an organisation approved by Innovation Australia which is capable of performing contracted R&D, in one or more classes of research activity, on behalf of eligible companies, or through a group of companies who have entered into a collaborative arrangement.

Organisations which will be considered for RRA status at present include:

- private sector profit and non-profit R&D organisations
- educational institutions such as universities and higher education institutions
- autonomous public sector science and technology research institute, and
- R&D units from Commonwealth and State Government institutions.

There are a number of advantages that RRA's offer to their clients:

- Expenditure for Australian R&D contracted to an RRA within approved classes of activity is eligible for the full concession in the year of income irrespective of the company's annual R&D expenditure, i.e. the normal annual threshold of \$20,000 is waived.
- prepayments for contracted Australian R&D may be claimed by companies up to twelve months in advance of the work actually being carried out and can be included in the calculations for the 175% Premium concession, and
- small and medium sized firms are able to undertake R&D programs without having to invest in costly R&D equipment and expertise.

Innovation Australia has formulated the following criteria to be met by applicants wishing to seek registration as an RRA.

**Employment:** The organisation must employ a minimum of one-full time researcher and four other full-time, or full-time equivalent, research staff.

**Facilities:** Organisations must have R&D facilities in Australia sufficient for the research staff to undertake their work and appropriate to the field or fields of research in which the RRA seeks to be registered.

**Pricing Structure:** The fees and charges structure must be on normal commercial terms.

**Multiple Client:** An organisation must hold itself available to undertake work on behalf on non-related organisations.

A public register of RRAs is maintained by Innovation Australia, and published each year in its Annual Report and on the AusIndustry website identifying each

### Further information

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For information relating to registration or the eligibility of activities, please call **AusIndustry** on

**13 28 46**. Alternatively, email [RDTAXCON@innovation.gov.au](mailto:RDTAXCON@innovation.gov.au) or visit the website at [www.ausindustry.gov.au](http://www.ausindustry.gov.au). For further information on expenditure issues, please contact the **Australian Taxation Office** on **13 28 66**. Alternatively, email [innovationtax@ato.gov.au](mailto:innovationtax@ato.gov.au) or visit the website at <http://www.ato.gov.au/businesses/pathway.asp?pc=001/003/113>.

RRA, the class of R&D performed and a company contact.