



MEDIA RELEASE

SENATOR KIM CARR

Minister for Innovation, Industry, Science and Research

Friday, 22 July, 2011

MORE SKILLED JOBS TO FLOW FROM NEW R&D TAX CREDITS

An independent economic analysis has confirmed the Gillard Labor Government's new Research and Development (R&D) Tax Credit will help small and medium sized firms grow and transform their business, resulting in new jobs, new investment and improved productivity.

Welcoming the Australian Business Foundation report *The BERD in the hand: Supporting Business Investment in Research and Development*, Innovation Minister Senator Kim Carr said Australians can expect a boost in the number of high-skill, high-wage jobs to flow from the introduction of the R&D Tax Credit.

"The report looks at the merits of the Credit and confirms it is an improvement on the current R&D Tax Concession. It says the policy behind the Credit is sound and urges its immediate introduction because further delays will have a negative impact on the R&D activities of small and medium sized firms," Senator Carr said.

"The R&D Tax Credit is a key part of the Government's overall innovation strategy and I am pleased this report strongly endorses its higher rates of support and the changes in the definition of eligible R&D."

Last month, Treasurer Wayne Swan and Senator Carr welcomed crossbench Senators announcing their support for the Credit as the parliamentary road-block put in place by the Coalition is now removed. The Bills to establish the Credit will be debated in the Senate next month.

For a copy of the report visit www.abfoundation.com.au For more information on the R&D Tax Credit visit www.innovation.gov.au/rdtaxcredit

Senator Carr said Australia was entering a new era of innovation. In addition to the Credit, the Government is further investing in Australia's innovative industry through the Clean Energy Future package.

The package includes the \$1.2 billion Clean Technology Program, administered by the Department of Innovation, Industry, Science and Research, which will power research, development and commercialisation of clean technology products, processes and services in the manufacturing sector.

Further to this, the Government will pursue a Steel Transformation Plan worth \$300 million over five years which, led by the Innovation Department, will encourage investment and innovation in the Australian steel industry.

For more information on the Government's Clean Energy Future package, visit www.cleanenergyfuture.gov.au.

**Media contact: Minister's Office, 02 6277 7580
Malcolm Jones, Department, 02 6213 6311**