

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES AMENDMENT ACT 1978

No. 211 of 1978

An Act to amend the *Industrial Research and Development Incentives Act 1976*.

BE IT ENACTED by the Queen, and the Senate and House of Representatives of the Commonwealth of Australia, as follows:

Short title,
&c.

1. (1) This Act may be cited as the *Industrial Research and Development Incentives Amendment Act 1978*.¹

(2) The *Industrial Research and Development Incentives Act 1976*² is in this Act referred to as the Principal Act.

Commence-
ment

2. (1) Subject to sub-section (2), this Act shall come into operation on the day on which it receives the Royal Assent.¹

(2) Paragraphs 3 (c), (d) and (g) shall be deemed to have come into operation on 1 July 1976.

Interpret-
ation

3. Section 4 of the Principal Act is amended—

(a) by omitting from sub-section (1) the definition of “eligible contract expenditure” and substituting the following definition:

“‘eligible contract expenditure’, in relation to a company in respect of a grant year, means so much of any amount paid or payable by the company to a research organization for the carrying out by the organization for the company of industrial research and development at a time in that year when the organization is an approved research organization as, in the opinion of the Board, is a reasonable charge for that industrial research and development;”;

(b) by omitting from sub-section (1) the definition of “eligible expenditure” and substituting the following definition:

“‘eligible expenditure’, in relation to a company in respect of a grant year in respect of which the company has eligible contract expenditure in excess of \$1,500, or eligible salary expenditure, or both, means an amount equal to the sum of the following expenditure of the company in respect of the year:

- (a) eligible contract expenditure;
 - (b) eligible expenditure on technical information;
 - (c) eligible plant expenditure;
 - (d) eligible prototype expenditure; and
 - (e) eligible salary expenditure;”;
- (c) by inserting in the definition of “eligible plant expenditure” in sub-section (1) “an amount equal to the sum of” after “means”;
- (d) by omitting from paragraph (a) of the definition of “eligible plant expenditure” in sub-section (1) “or” (last occurring) and substituting “and”;
- (e) by omitting from the definition of “eligible salary expenditure” in sub-section (1) all the words after “grant year” (second occurring) down to and including “any other duties” (second occurring) and substituting “in respect of so much of the salary or wages of full-time employees as was paid in respect of the whole or any part of a continuous period of not less than 4 weeks, or of periods amounting in the aggregate to not less than 4 weeks, during which the employees were, during their ordinary hours of duty, engaged primarily and principally in professional or technical research and development work and not engaged to any substantial extent in any other duties,”;
- (f) by omitting sub-section (10); and
- (g) by inserting after sub-section (4) the following sub-section:
- “(4A) A reference in this Act to a grant, or to an amount of a grant, payable during or in a year shall be read as a reference to a grant, or an amount of a grant, as the case may be, that first becomes due for payment during that year.”.

4. Section 21 of the Principal Act is amended by inserting after sub-section (5) the following sub-section: Advisory
Committee

“(5A) The Minister may refer to the Advisory Committee for advice any matter relating to the operation of this Act.”.

5. Section 23 of the Principal Act is amended by omitting sub-section (3) and substituting the following sub-section: Commence-
ment grants

“(3) Regulations made for the purposes of sub-paragraph (2) (e) (i) or (ii) in relation to a grant year shall not be made after 31 March in the immediately preceding grant year.”.

6. Section 30 of the Principal Act is repealed and the following section is substituted:

“30. (1) Where—

Agreements
with respect
to projects

- (a) an eligible company is carrying out, or proposes to carry out, a project for industrial research and development (other than a project referred to in paragraph (b)); or
- (b) a company (whether or not an eligible company) has made an arrangement for the carrying out of a project for industrial research and development by 2 or more companies (which include an eligible company or eligible companies, but need not include the first-mentioned company) and, under the arrangement, no company other than the first-mentioned company is to apply to the Board for a grant under this Division in respect of the project,

and the company applies to the Board for a grant under this Division in respect of the project, the Board may, subject to this Act and to any relevant directions of the Minister under section 19, enter into an agreement, on behalf of the Commonwealth, with the company for and in relation to the making of a grant of financial assistance under this Division to the company in respect of expenditure in respect of the project incurred or to be incurred—

- (c) in the case of an application by a company referred to in paragraph (a)—by the company; or
- (d) in the case of an application by a company in accordance with an arrangement referred to in paragraph (b)—by such of the companies by which, under the arrangement, the project is being carried out or is proposed to be carried out as is an eligible company or are eligible companies.

“(2) Sub-section (1) does not apply in relation to a project that is to be commenced after 1 July 1981.”

Total
amount
allocated for
expenditure
under this
Division in
respect of a
year

7. Section 31 of the Principal Act is amended by adding at the end thereof the following sub-section:

“(5) In this section, a reference to the Chairman shall, if there is an acting Chairman, be read as a reference to the acting Chairman.”

Restrictions
applicable to
project grant
agreements

8. Section 32 of the Principal Act is amended—

- (a) by omitting sub-sections (4) and (5) and substituting the following sub-section:

“(4) The provisions of a project grant agreement shall be such that, unless the Minister otherwise approves in relation to the agreement, the amount of the project grant, or of the aggregate of the project grants, payable under the agreement shall not

exceed an amount equal to 50% of the total amount that, in the opinion of the Board, is or will be the expenditure by the company or companies, after the date of the making of the application in pursuance of which the agreement is entered into, in respect of the project to which the agreement relates.”; and

- (b) by omitting sub-section (6) and substituting the following sub-section:

“(6) In entering into a project grant agreement, the Board shall ensure that the sum of so much of the amounts of project grants payable in a year as is attributable to expenditure of a company, or of 2 or more companies that are, by virtue of section 5, deemed to be related to each other at any time during that year, does not exceed \$500,000 or such greater amount as the Minister approves in relation to that company, or those companies, in respect of that year.”.

9. (1) The amendments of the Principal Act made by paragraphs 3 (a), (b), (e) and (f) apply in relation to the grant year that commenced on 1 July 1978 and succeeding grant years. Application

(2) The amendment of the Principal Act made by section 5 does not apply in relation to regulations made in relation to the grant year that commenced on 1 July 1978 or any preceding grant year.

(3) The application of the amendments of the Principal Act made by sections 6 and 8 extends to an application for a project grant made under the Principal Act on or after 1 July 1978 and before the commencement of this section, being an application in respect of which an agreement was not entered into under Division 2 of Part III of that Act before the commencement of this section.

10. An agreement entered into under Division 2 of Part III of the Principal Act and in effect immediately before the date of commencement of the amendments of that Division made by this Act is as valid and effectual on and after that date as if it had been entered into under that Division as so amended. Saving

NOTES

1. Act No. 211, 1978; assented to 6 December 1978.
2. Act No. 85, 1976. For previous amendments *see* Act No. 36, 1978.