

EXPLANATORY STATEMENT

STATUTORY RULES 1984 NO. 194

Issued by the authority of the  
Minister for Science and Technology

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT 1976

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES REGULATIONS

Section 42 of the Industrial Research and Development Incentives Act 1976 (the Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing all matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The regulations will amend the Industrial Research and Development Incentives Regulations by prescribing, in accordance with section 23 of the Industrial Research and Development Incentives Act 1976, the level of financial assistance payable as commencement grants in relation to the year that commenced on 1 July 1984.

Commencement grants are provided under Division I of Part III of the Act to encourage eligible companies to become involved in industrial research and development. Sub-paragraphs 23(2)(q)(i) and (ii) of the Act provide that in respect of any grant year after 1981/1982 the level of commencement grants shall be an amount equal to whichever is the lesser of the following amounts:

- i an amount equal to such percentage of the eligible expenditure of the company in respect of the grant year as is prescribed in relation to that grant year, being a percentage that does not exceed 50 per centum;
- ii such amount as is prescribed in relation to that grant year, being an amount that does not exceed \$40 000.

The regulations provide for the payment of commencement grants in respect of the grant year that commenced on 1 July 1984 of an amount equal to either 50 per cent of the eligible expenditure of the company in that grant year, or \$40 000, whichever is the less.

This level of assistance is considered necessary to give an effective degree of encouragement to Australian manufacturing, mining and construction companies to establish an industrial research and development capability.

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