



## ATO releases Research & Development transparency report

The ATO has published the second R&D tax incentive transparency report.

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The Australian Taxation Office (ATO) has published its second Research and Development tax incentive transparency report (R&D report) revealing over \$16 billion was invested in qualifying research and development by companies in 2022–23.

The report contains data for over 12,900 R&D companies that claimed the tax incentive for R&D expenditure for the 2022–23 year, of which 46% are small businesses, followed by privately owned and wealthy groups making up 35% of the entities reporting R&D expenditure.

ATO Deputy Commissioner Louise Clarke said, ‘the R&D tax incentive aims to incentivise businesses of all sizes to engage in qualifying R&D activities.’

The R&DTI program is a significant lever for the Australian Government for funding innovation and research. It encourages wide industry participation by offsetting some of the costs and alleviating risk when undertaking R&D activities.

‘It is promising to see strong engagement from businesses across so many different industries taking up the opportunity to invest in R&D activities,’ Ms Clarke said.

In 2022–23, public and multinational companies invested \$8.7 billion in R&D – the most out of all business populations. A majority of the companies were in the professional, scientific and technical services industry, followed by the manufacturing sector.

The R&DTI Program is a self-assessment, self-registration program. The ATO is responsible for reviewing the eligibility of the amounts claimed as spent on R&D, working jointly with the Department of Industry, Science and Resources (DISR) who manage the registration process for the program and whether activities are truly qualifying R&D.

By providing transparency of the R&D expenditure, the report aims to improve accountability, encourage voluntary compliance and increase public awareness of the companies that have claimed the R&D tax incentive.

The Data Report is likely to inform public debate about the R&D Program, particularly in the context of the Government's review of Australia's research and development system, which was announced in the 2024–25 Federal Budget.

The ATO uses a risk-based approach to identify non-compliance within the R&DTI program and undertakes reviews and audits to verify R&D claims.

'The ATO has a sustained focus on administering the law with integrity and, those who misuse the R&D program will come into focus through our risk-based compliance approaches.'

'In line with our general compliance approach for the tax and superannuation systems, we focus on making it easy for people to comply and hard for them not to,' Ms Clarke said.


## **R&D Tax Incentive Transparency Report**

The ATO is required by law to publish data about Research and Development (R&D) tax incentive claims. This R&D report covers 12,956 entities for the 2022–23 year, of which:

- 6,016 are small business entities with an annual turnover of less than \$10 million;
- 4,507 are privately owned and wealth group entities with an annual turnover of more than \$10 million, that are not publicly listed or foreign-owned; and
- 2,428 are public and multinational entities which are publicly listed and multinational companies
- 5 are not-for-profit entities.

If a client has amended their expenditure, the data will include both the original amount claimed plus the amended amount. We will not publish adjustments made by the Commissioner.

## Notes to journalists

- [Research and development tax incentive – transparency report 2022–23](#)
- [Report of data about research and development tax incentive entities 2022–23](#) 
- [Research and development tax incentive](#)
- [Research and Development Tax Incentive program charter](#)  (For additional Information about the role of ATO and DISR)
- [R&D tax incentive: future focus](#) 
- [Headshot of Deputy Commissioner Louise Clarke \(JPG, 604KB\)](#) 

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