

10 November 2009

Gasco Pty Ltd  
ABN 55 869 575 588  
ACN 051 824 741

170 Colchester Road  
Bayswater Vic 3153 Australia  
Ph: +61 (0) 3 9237 7111  
Fax: +61 (0) 3 9237 7171  
24 hr: +61 (0) 3 9237 7177  
e-mail: [gasco@gasco.net.au](mailto:gasco@gasco.net.au)  
Internet: [www.gasco.net.au](http://www.gasco.net.au)

General Manager  
Business Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir / Madam,



## **Will Unit Trusts be eligible entities to receive the R&D Tax Credit?**

At the recent Austrade seminar regarding the proposed amendments to the current Research and Development Tax Incentive, you spoke about companies being eligible for the R&D tax incentive.

In the consultation paper you have stated that "an entity that is treated as a company in the tax law will be treated as a company for the new R&D tax incentive". The paper then goes on to state that there will be excludability in the area of trusts. The exclusion of trusts seems to be unfair as there are thousands of Unit Trust businesses in Australian Industry as well as hundreds on the Stock Exchange, who have a company acting in the capacity of a trustee. The only real difference between a Unit Trust and a company is a Unit Trust has unit holders whilst a company has shareholders who own the business.

In the last 20 years, Unit Trust businesses have had no R&D concessions, which has therefore led to there being no incentive for Unit Trust structured organizations to invest in R&D expenditure. I understand that it would not be completely necessary for all forms of trusts to receive this concession, however I believe that Unit Trusts should be added as an eligible entity. It is no benefit to a Unit Trust, such as ours, to only include Unit Trusts which have been taxed as companies, only a small minority of these structures exist. The Unit Trust could either receive a tax credit or alternatively, if the Unit Trust retained funds equal to R&D incentive and had a tax liability, it should be able to access R&D tax incentive.


Gasco product range includes Waste Heat Recovery and technology to reduce greenhouse gas emission. We require Government support to improve this technology.

If the government is serious about Australia being competitive globally and domestic organizations, other than companies, investing money on research and development, then it is evident that the eligibility test should include specific forms of Unit Trusts as well as companies. This will encourage entities such as Gasco to invest in R&D to ensure entities such as ours are industry leaders in our region.

We would appreciate you take our proposal into consideration when finalising the legislation.

If you have any questions, please do not hesitate to contact me.

Yours sincerely,



Nicholas Grzegorzyn  
CEO