

s22

From: s22
Sent: Thursday, 7 October 2021 3:51 PM
To: s22
Subject: Conversation with s22

s22 3:29 PM:

s22 Kirsty has sent an urgent request for a response to a media enquiry. She has asked if there are any standard words ... there are none that I have. s22 thought you might have some?

s22 3:30 PM:

Hmmm none that I have

There used to be a doc which contained standard words on various topics but no idea what happened to it after I left QA&E

s22 3:31 PM:

Do you know who else was involved in it?

s22 3:31 PM:

s22

No one who is still around

Give me 5 minutes to have a look and see if I can find it

s22 3:32 PM:

Thanks

s22 3:36 PM:

47E(a) is the one I was thinking of

s22 3:37 PM:

I got a file not found error when I tried to use the favourite I have for 47E ... do you have a link that works?

s22 3:38 PM:

47E(a)

I'm having a quick look to see if I have an old response to a similar request but it was such a long time ago I'm not having much luck

s22

From: s22
Sent: Tuesday, 12 October 2021 1:50 PM
To: s22
Subject: FW: Incoming Work: 3x REE Referrals [SEC=OFFICIAL:Sensitive]
Attachments: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

47E(a)

It came on the Department's radar because it was picked up in the media last week.

<https://www.theguardian.com/environment/2021/oct/11/empire-energy-received-5m-tax-incentive-for-fracking-gas-well-in-beetaloo-basin>

Also came across Kirsty's desk because of the media interest – see email chain. 47E(a)

Once you have had a look maybe good idea to have a chat with s22 as he has knowledge in this area. 47E(a)

Thanks

s22

s22

Assistant Manager – National Assessments

National Assessments Team | Research & Development Tax Incentive | AusIndustry

Department of Industry, Science, Energy and Resources

s22 [@industry.gov.au](mailto:s22@industry.gov.au)

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From: s22

Sent: Monday, 11 October 2021 2:39 PM

To: s22 @industry.gov.au; s22

Cc: s22 @industry.gov.au; s22

Subject: Incoming Work: 47E(a) [SEC=OFFICIAL:Sensitive]

@industry.gov.au; ls22
@industry.gov.au>

@industry.gov.au>

Hi s22

47E(a)

Many thanks,

s22

National Assessments Manager

AusIndustry Division | Research & Development Tax Incentive Branch | National Assessment Team
Department of Industry, Science, Energy and Resources

s22

[@industry.gov.au](https://www.industry.gov.au)



Australian Government
Department of Industry, Science,
Energy and Resources

AusIndustry
R&D Tax Incentive

OFFICIAL: Sensitive

s22

From: s22
Sent: Thursday, 21 October 2021 12:36 PM
To: s22
Subject: FW: Urgent Media Enquirv: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]
Attachments: Conversation with s22

Hi s22

The email chain for Empire Energy is below. I've also attached the Skype Corro s22 and I briefly had in regards to the inquiry.

Cheers,
s22

OFFICIAL

From: s22
Sent: Thursday, 7 October 2021 4:13 PM
To: s22 @industry.gov.au>
Cc: s22 @industry.gov.au>; s22 @industry.gov.au>
Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Thanks for trying s22

I've provided Kirsty with some words:

The R&D Tax Incentive is a self-assessment program designed to encourage Australian businesses to conduct research and development (R&D) activities they might not otherwise have undertaken. Applicants to the program self-assess whether the activities they have conducted meet the requirements for being 'R&D activities' as defined in the *Income Tax Assessment Act 1997* (ITAA 1997). Confidentiality and secrecy provisions in legislation do not allow for the disclosure of information about individual companies that access the R&D Tax Incentive program, the information they provide when applying to the program is commercial-in-confidence information.

The ITAA 1997 describes 'R&D activities' as involving 'core R&D activities' and 'supporting R&D activities'. The definition of 'core R&D activities' notes that whilst certain activities are excluded from being found to be core R&D activities, these activities may be found to be 'supporting R&D activities' if they are undertaken for the dominant purpose of supporting core R&D activities.

The program is administered by the department under delegation by the Board of Industry, Innovation and Science Australia. The Minister has no role nor any decision-making powers in relation to the administration of the R&D Tax Incentive and is therefore unable to influence any matters relating to companies complying with the requirements of the program.

Regards

s22

Manager

AusIndustry Division | Research & Development Tax Incentive Branch | Stakeholder Engagement Section
Department of Industry, Science, Energy and Resources
s22 @industry.gov.au

ABN 74 599 608 295

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Australian Government
Department of Industry, Science,
Energy and Resources

AusIndustry
R&D Tax Incentive



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OFFICIAL

From: s22

Sent: Thursday, 7 October 2021 3:49 PM

To: s22 <@industry.gov.au>

Cc: s22 <@industry.gov.au>; s22 <@industry.gov.au>

Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

I'm not having any luck finding an example of my old corro's to requests like this.

As Kirsty highlighted below I would usually outline the intent of the program, note our inability to comment on specific matters and then note the line in s22 email about the Minister being unable to direct us to do anything. Sorry I can't be of more help.

s22

OFFICIAL

From: s22

Sent: Thursday, 7 October 2021 3:45 PM

To: s22 <@industry.gov.au>

Cc: s22 <@industry.gov.au>; s22 <@industry.gov.au>

Subject: FW: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Unfortunately I can access emails older than 3 months that might have an answer but these points from a recent MinBrief might help:

- Statutory secrecy provisions specific to the R&DTI in the ITAA97 and the IR&D Act, as well as AAT confidentiality orders, restrict what departmental officers can disclose to third parties about R&DTI applications.
- The IR&D Act, does not allow for any Minister to direct IISA (or the department in its administrative function for IISA) to perform any of its functions, or exercise any of its powers, in a particular way in a particular case.

Regards
s22

OFFICIAL

From: s22
Sent: Thursday, 7 October 2021 3:33 PM
To: s22 @industry.gov.au>; s22 @industry.gov.au>
Cc: s22 @industry.gov.au>
Subject: FW: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

s22

Does your Section have any standard words about not providing information due to confidentiality?

s22 is also looking

Regards

s22

Manager

AusIndustry Division | Research & Development Tax Incentive Branch | Stakeholder Engagement Section
Department of Industry, Science, Energy and Resources

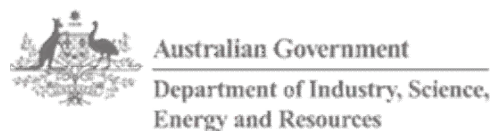
s22 @industry.gov.au

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OFFICIAL

From: Gowans, Kirsty
Sent: Thursday, 7 October 2021 3:20 PM
To: s22 @industry.gov.au>; Js22 @industry.gov.au>
Cc: s22 @industry.gov.au>; s22 @industry.gov.au>;

s22 @industry.gov.au>; s22 @industry.gov.au>; MediaTeam
<MediaTeam@industry.gov.au>; s22 @industry.gov.au>; s22
s22 @industry.gov.au>

Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Thanks s22

s22 – we can't say anything about the claim (amount, timing, registration etc).

s22 – do we have standard words for cases like this?

Cheers, Kirsty

OFFICIAL

From: s22

Sent: Thursday, 7 October 2021 3:06 PM

To: Gowans, Kirsty <Kirsty.Gowans@industry.gov.au>; s22 @industry.gov.au>

Cc: s22 @industry.gov.au>; s22 @industry.gov.au>;

s22 @industry.gov.au>; s22 @industry.gov.au>; MediaTeam

<MediaTeam@industry.gov.au>

Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty

None that I know of.

47E(a)

It is a self-assessment program and registration of R&D activities by a company does not determine eligibility.

Regards

s22

s22

Acting Manager – National Assessments

National Assessments Team | Research & Development Tax Incentive | AusIndustry

Department of Industry, Science, Energy and Resources

s22 @industry.gov.au

ABN 74 599 608 295

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OFFICIAL

From: Gowans, Kirsty
Sent: Thursday, 7 October 2021 11:57 AM
To: s22 <s22@industry.gov.au>
Cc: s22 <s22@industry.gov.au>; s22 <s22@industry.gov.au>; MediaTeam <MediaTeam@industry.gov.au>; s22 <s22@industry.gov.au>
Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

I will just find out the details and get back to you. We cannot disclose details of companies accessing RDTI (unless they make a public disclosure or have provided us with consent). We would normally make a general statement to the effect that RDTI is a self-assessment program, consistent with Australia's general taxation law. The Minister has no role in assessing eligibility for RDTI or in making findings under the IRD Act. These are made by the IISA Board, or its delegates.

s22 can you let me know if we have any specific information about this company that may give rise any sensitivities.

Kind Regards

Kirsty

OFFICIAL

From: s22
Sent: Thursday, 7 October 2021 2:49 PM
To: Gowans, Kirsty <Kirsty.Gowans@industry.gov.au>
Cc: s22 <s22@industry.gov.au>; s22 <s22@industry.gov.au>; MediaTeam <MediaTeam@industry.gov.au>
Subject: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty,

We've just received this media enquiry with a COB deadline. Not sure what/how much we can really say (also he doesn't seem to understand how the incentive is applied), but would be great to get a response we can past the Taylor MO by 3.45pm.

Normally for something like this we'd just be looking for a high-level statement (in this instance probably the RDTI works and is applied) instead of answers to individual questions.

Happy to chat.

Many thanks

s22

s22

Assistant Manager, Media and Speechwriting

Communications | Corporate and Digital
s22

@industry.gov.au

From: s 11C(1)(a)
Sent: Thursday, 7 October 2021 2:32 PM
To: Media - Industry <Media@industry.gov.au>
Subject: Empire Energy and the R&D tax incentive

Hi team,

Hope you're well.

I just had a query for the department about the awarding of a \$5.37m refundable tax offset to Empire Energy through the federal government's R&D Tax Incentive Scheme.

Empire Energy is a gas company that is currently conducting exploratory drilling in the Beetaloo Basin. The tax incentive appears to have been given to Empire for technical innovations at its Carpentaria-1 vertical well.

The issue is that the Tax Incentive Scheme's eligibility criteria makes it clear that money cannot be awarded to recipients if their dominant purpose is exploration for mineral deposits. Drilling is eligible if it is done to support the dominant purpose of R&D.

The guidelines make it clear:

Activities this exclusion covers include prospecting, exploring or drilling activities to:

- *find deposits of minerals or petroleum*
- *pinpoint a more exact location of deposits*
- *find out how much of a mineral or petroleum is in a location*
- *analyse how pure a mineral or petroleum deposit might be*
- *determine the commercial value of a deposit*

The Carpentaria-1 is clearly an exploratory well. It is [described as such by Empire Energy](#). Its dominant purpose is to help Empire explore for gas reserves to determine the commercial value of the deposits. Alex Underwood said of the results from Carpentaria-1:

The presence of high levels of associated gas liquids in the target shales is encouraging for future commercial production scenarios because high-value liquids from produced gas can significantly enhance economics.

The questions I have are:

- how was Empire eligible for this tax incentive, given its dominant activity at Carpentaria-1 can be described as "prospecting, exploring or drilling" find or pinpoint deposits and determine their commercial value?
- what process was used to grant Empire Energy this tax incentive?
- what role did the minister play in approving the awarding of this tax incentive?
- was the department lobbied or contacted by representatives from Empire or its lobbying firm about this tax incentive?
- a Senate inquiry has previously examined the links between the Liberal party and Empire and its chair Paul Espie. The company has denied these links played any role in the awarding of the \$21m grants through the separate Beetaloo drilling scheme. Did the links play any role whatsoever in the awarding of this tax incentive?

I was hoping for a response by COB.

Many thanks,

s 11C(1)(a)



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OFFICIAL

s22

From: Gowans, Kirsty
Sent: Friday, 8 October 2021 3:29 PM
To: s22
Cc: MediaTeam
Subject: RE: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

This is accurate and may also help the journalist understand the position without breaching confidentiality.

Kind Regards

Kirsty

OFFICIAL

From: s22
Sent: Friday, 8 October 2021 2:21 PM
To: Gowans, Kirsty ; s22
Cc: MediaTeam
Subject: RE: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Would something like this on background perhaps work?

BACKGROUND:

The R&D Tax Incentive is a self-assessment program. Applicants are responsible for making sure they meet the eligibility criteria. When applicants self-assess their R&D activities against the eligibility requirements, they need to judge whether their activities meet the legislated criteria. The legislation which applicants are to self-assess against is the Industry Research and Development Act 1986, and the Income Tax Assessment Act 1997.

The department may examine registrations to ensure they comply with the eligibility requirements of the program, in line with standard practice. However the department cannot disclose information about these integrity activities due to taxation secrecy laws.

//

Cheers
s22

OFFICIAL

From: Gowans, Kirsty
Sent: Friday, 8 October 2021 1:20 PM
To: s22 <s22@industry.gov.au>; s22 <s22@industry.gov.au>
Cc: MediaTeam <MediaTeam@industry.gov.au>
Subject: RE: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

We may be able to remind the journalist that Australia's taxation system operates on the basis of self-assessment. The department may conduct eligibility checks and the ATO may conduct audits of expenditure. However, we cannot disclose information about these integrity activities due to taxation secrecy laws.

Kind Regards

Kirsty

OFFICIAL

From: s22

Sent: Friday, 8 October 2021 1:14 PM

To: s22 <s22@industry.gov.au>; Gowans, Kirsty <Kirsty.Gowans@industry.gov.au>

Cc: MediaTeam <MediaTeam@industry.gov.au>

Subject: RE: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

You are right there is not much more we can say as he is asking for information on an individual matter.

Kind regards

s22

s22

Manager Registrations and Early Engagement

AusIndustry | R&D Tax Incentive | Registrations and Early Engagement
Naarm country, 111 Bourke Street Melbourne, GPO Box 2013
Department of Industry, Science, Energy and Resources
s22 <s22@industry.gov.au>

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OFFICIAL

From: s22

Sent: Friday, 8 October 2021 12:50 PM

To: s22 <s22@industry.gov.au>; Gowans, Kirsty <Kirsty.Gowans@industry.gov.au>

Cc: MediaTeam <MediaTeam@industry.gov.au>

Subject: FW: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

Just letting you know the journalist has followed up. But not sure there is much further we can say?

Cheers

s22

s22

Assistant Manager, Media and Speechwriting

Communications | Corporate and Digital
s22

[@industry.gov.au](mailto:industry.gov.au)

From: s 11C(1)(a)
Sent: Friday, 8 October 2021 12:47 PM
To: Media - Industry <Media@industry.gov.au>
Subject: Re: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi there,

Thanks for the response. I'm afraid it doesn't really address my central question.

You say DISER is responsible for determining the eligibility of R&D activity.

How was Empire's exploratory drilling via the Carpentaria-1 well deemed eligible, given it is clearly being done for the dominant purpose of identifying deposits and assessing their commercial value?

Or are you telling me the department has not yet reviewed these activities? If so, is the department planning to conduct such a review?

Many thanks,

s 11C(1)(a)



Level 3, 19 Foster St
Surry Hills NSW 2010
theguardian.com/au

On Fri, 8 Oct 2021 at 12:25, Media - Industry <Media@industry.gov.au> wrote:

Hi s 11C(1)(a)

Please find the below response:

From a spokesperson for the Department of Industry, Science, Energy and Resources:

The R&D Tax Incentive (RDTI) is a self-assessment program delivered through the tax system.

The Minister has no role in assessing eligibility for RDTI or in making findings under the IRD Act.

BACKGROUND:

The R&D Tax incentive is co-administered by the Department of Industry, Science, Energy and Resources (DISER) and the Australian Tax Office (ATO).

Reviewing eligibility of R&D activities is the remit of DISER. The ATO has responsibility for reviewing the eligibility of R&D expenditure.

//

Regards,

Media Team
Department of Industry, Science, Energy and Resources
Ph: (02) 6213 6308
Email: media@industry.gov.au

From: s 11C(1)(a)
Sent: Friday, 8 October 2021 11:52 AM
To: Media - Industry <Media@industry.gov.au>
Subject: Re: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi there - how far off is a response on this one?

s 11C(1)(a)

s 11C(1)(a)



Level 3, 19 Foster St

Surry Hills NSW 2010

theguardian.com/au

On Thu, 7 Oct 2021 at 17:20, Media - Industry <Media@industry.gov.au> wrote:

Hi s 11C(1)(a)

Acknowledging we have received your enquiry.

Regards,

Media Team
Department of Industry, Science, Energy and Resources
Ph: (02) 6213 6308
Email: media@industry.gov.au

From: s 11C(1)(a)
Sent: Thursday, 7 October 2021 2:32 PM
To: Media - Industry <Media@industry.gov.au>
Subject: Empire Energy and the R&D tax incentive

Hi team,

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- what process was used to grant Empire Energy this tax incentive?
- what role did the minister play in approving the awarding of this tax incentive?

- was the department lobbied or contacted by representatives from Empire or its lobbying firm about this tax incentive?

- a Senate inquiry has previously examined the links between the Liberal party and Empire and its chair Paul Espie. The company has denied these links played any role in the awarding of the \$21m grants through the separate Beetaloo drilling scheme. Did the links play any role whatsoever in the awarding of this tax incentive?

I was hoping for a response by COB.

Many thanks,

s 11C(1)(a)



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Surry Hills NSW 2010
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s22

From: Gowans, Kirsty
Sent: Tuesday, 12 October 2021 11:23 AM
To: s22 Greenwood, Emma
Cc: s22 MediaTeam
Subject: Re: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

Questions about the administration of the R&D tax incentive belong with us.

The Minister shares policy responsibility for the R&DTI with the Treasurer. However, IISA/DISER is jointly responsible for the administration of the program. It is our role to conduct program integrity activities, including eligibility compliance checks.

Kind Regards

Kirsty

OFFICIAL

From: s22 <s22@industry.gov.au>
Date: Tuesday, 12 October 2021 at 11:17:50 am
To: "Gowans, Kirsty" <Kirsty.Gowans@industry.gov.au>, "Greenwood, Emma" <Emma.Greenwood@industry.gov.au>
Cc: "s22" <s22@industry.gov.au>, "MediaTeam" <MediaTeam@industry.gov.au>
Subject: FW: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty – and Emma,

Just an update. s22 in Minister Taylor's has come back on that background. I'm right in telling her – in response to 'shouldn't this be a question for Treasury' – the below?

The R&D Tax incentive is co-administered by us and the ATO, but eligibility of R&D activities is our remit.

//

s22

OFFICIAL

From: s22
Sent: Tuesday, 12 October 2021 11:05 AM
To: s22
Cc: MediaTeam ; s22
Subject: RE: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi guys,

I'm fine with that background but wouldn't questions on how the R&D tax incentive works be one for the Treasury?

Thanks

s22

OFFICIAL

From: s22
Sent: Monday, 11 October 2021 10:46 AM
To: s22 <@energy.gov.au>; s22 <@energy.gov.au>
<s22 <@energy.gov.au>; s22 <@energy.gov.au>
Cc: MediaTeam <MediaTeam@industry.gov.au>; Ps22 <@industry.gov.au>; s22 <@industry.gov.au>
Subject: RE: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]
Hi s22

Just checking whether you're comfortable with the below background for s 11C(1)(a)
He has published his article <https://www.theguardian.com/environment/2021/oct/11/empire-energy-received-5m-tax-incentive-for-fracking-gas-well-in-beetaloo-basin>, but is still chasing clarification on the below questions.

Thanks for the response. I'm afraid it doesn't really address my central question. You say DISER is responsible for determining the eligibility of R&D activity. How was Empire's exploratory drilling via the Carpentaria-1 well deemed eligible, given it is clearly being done for the dominant purpose of identifying deposits and assessing their commercial value? Or are you telling me the department has not yet reviewed these activities? If so, is the department planning to conduct such a review?

//

ON BACKGROUND:

The R&D Tax Incentive is a self-assessment program. Applicants are responsible for making sure they meet the eligibility criteria. When applicants self-assess their R&D activities against the eligibility requirements, they need to judge whether their activities meet the legislated criteria. The legislation which applicants are to self-assess against is the Industry Research and Development Act 1986, and the Income Tax Assessment Act 1997.

The department may examine registrations to ensure they comply with the eligibility requirements of the program, in line with standard practice. However the department cannot disclose information about these integrity activities due to taxation secrecy laws.

//

Cheers

s22

OFFICIAL

From: s22
Sent: Friday, 8 October 2021 5:33 PM
To: s22 <@energy.gov.au>; s22 <@energy.gov.au>
<s22 <@energy.gov.au>; s22 <@energy.gov.au>
Cc: MediaTeam <MediaTeam@industry.gov.au>; s22 <@industry.gov.au>; s22 <@industry.gov.au>
Subject: RE: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22
s 11C(1)(a) has followed up with the below. Would you be comfortable with us sharing the further below on background to assist in his understanding?

Thanks for the response. I'm afraid it doesn't really address my central question. You say DISER is responsible for determining the eligibility of R&D activity. How was Empire's exploratory drilling via the Carpentaria-1 well deemed eligible, given it is clearly being done for the dominant purpose of identifying deposits and assessing their commercial value? Or are you telling me the department has not yet reviewed these activities? If so, is the department planning to conduct such a review?

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ON BACKGROUND:

The R&D Tax Incentive is a self-assessment program. Applicants are responsible for making sure they meet the eligibility criteria. When applicants self-assess their R&D activities against the eligibility requirements,

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The department may examine registrations to ensure they comply with the eligibility requirements of the program, in line with standard practice. However the department cannot disclose information about these integrity activities due to taxation secrecy laws.

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Many thanks

s22

OFFICIAL

From: s22

Sent: Friday, 8 October 2021 12:21 PM

To: s22 <@industry.gov.au>; s22 <@energy.gov.au>;
s22 <@energy.gov.au>

Cc: MediaTeam <MediaTeam@industry.gov.au>; s22 <@industry.gov.au>;
s22 <@industry.gov.au>

Subject: RE: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

I'm fine with this response.

Thanks

s22

OFFICIAL

From: s22

Sent: Thursday, 7 October 2021 4:17 PM

To: s22 <@energy.gov.au>; s22 <@energy.gov.au>; s22 <@energy.gov.au>

Cc: MediaTeam <MediaTeam@industry.gov.au>; s22 <@industry.gov.au>;
s22 <@industry.gov.au>

Subject: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]
Hi s22

Please find below our proposed response to The Guardian (deadline COB). Let us know if you are comfortable.

From a spokesperson for the Department of Industry, Science, Energy and Resources:

The R&D Tax Incentive (RDTI) is a self-assessment program delivered through the tax system.

The Minister has no role in assessing eligibility for RDTI or in making findings under the IRD Act.

BACKGROUND:

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Reviewing eligibility of R&D activities is the remit of DISER. The ATO has responsibility for reviewing the eligibility of R&D expenditure.

//

Many thanks

s22

OFFICIAL

From: ss22

Sent: Thursday, 7 October 2021 3:06 PM

To: s22 <@energy.gov.au>; s22 <@energy.gov.au>; s22 <@energy.gov.au>

Cc: MediaTeam <MediaTeam@industry.gov.au>; s22 <@industry.gov.au>;
s22 <@industry.gov.au>

Subject: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]
Hi s22

Just bringing to your attention the below media enquiry related to the RDTI we have received from The Guardian with a COB deadline. Will get a proposed Departmental response to you in the next hour – essentially along the lines of the RDTI is a self-assessment program, consistent with Australia's general taxation law. The Minister has no role in assessing eligibility for RDTI or in making findings – and we cannot disclose details of companies accessing RDTI (unless they make a public disclosure or have provided us with consent).

Will come back to you shortly.

Many thanks

s22

Assistant Manager, Media and Speechwriting

Communications I Corporate and Digital

s22

[@industry.gov.au](mailto:Media@industry.gov.au)

From: s 11C(1)(a)

Sent: Thursday, 7 October 2021 2:32 PM

To: Media - Industry <Media@industry.gov.au>

Subject: Empire Energy and the R&D tax incentive

Hi team,

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Empire Energy is a gas company that is currently conducting exploratory drilling in the Beetaloo Basin. The tax incentive appears to have been given to Empire for technical innovations at its Carpentaria-1 vertical well.

The issue is that the Tax Incentive Scheme's eligibility criteria makes it clear that money cannot be awarded to recipients if their dominant purpose is exploration for mineral deposits. Drilling is eligible if it is done to support the dominant purpose of R&D.

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I was hoping for a response by COB.
Many thanks,

s 11C(1)(a)



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OFFICIAL

s22

From: s22
Sent: Friday, 8 October 2021 12:24 PM
To: s22 Gowans, Kirsty
Cc: MediaTeam
Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Thank you

Kind regards

s22

s22

Manager Registrations and Early Engagement

AusIndustry | R&D Tax Incentive | Registrations and Early Engagement
 Naarm country , 111 Bourke Street Melbourne, GPO Box 2013
 Department of Industry, Science, Energy and Resources
 s22 [@industry.gov.au](mailto:industry.gov.au)

industry.gov.au ABN 74 599 608 295

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Acknowledgement of Country

Our department recognises the First Peoples of this nation and their ongoing connection to culture and country. We acknowledge First Nations Peoples as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging.



OFFICIAL

From: s22
Sent: Friday, 8 October 2021 12:23 PM
To: Gowans, Kirsty ; s22
Cc: MediaTeam
Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty and s22

Letting you know the Taylor MO has just let us know they are comfortable with this, so sending to the journalist now.

Cheers

s22

OFFICIAL

From: Gowans, Kirsty
Sent: Thursday, 7 October 2021 4:13 PM

To: s22 @industry.gov.au>
Subject: Re: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

Looks good to me.

Many thanks

Kirsty

OFFICIAL

From: s22 @industry.gov.au>
Date: Thursday, 7 October 2021 at 4:03:59 pm
To: "Gowans, Kirsty" <Kirsty.Gowans@industry.gov.au>, s22 @industry.gov.au>
Cc: "s22 @industry.gov.au>, "s22 @industry.gov.au>, s22 @industry.gov.au>, s22 @industry.gov.au>, s22 @industry.gov.au>, "MediaTeam" <MediaTeam@industry.gov.au>, s22 @industry.gov.au>, s22 @industry.gov.au>
Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty,

How about something like the below? Feel free to add/remove and let me know if you're comfortable and I'll get it off to the Taylor MO to see if they are too.

From a spokesperson for the Department of Industry, Science, Energy and Resources:

The R&D Tax Incentive (RDTI) is a self-assessment program delivered through the tax system.

The Minister has no role in assessing eligibility for RDTI or in making findings under the IRD Act.

BACKGROUND:

The R&D Tax incentive is co-administered by the Department of Industry, Science, Energy and Resources (DISER) and the Australian Tax Office (ATO).

Reviewing eligibility of R&D activities is the remit of DISER. The ATO has responsibility for reviewing the eligibility of R&D expenditure.

//

Cheers
s22

OFFICIAL

From: Gowans, Kirsty
Sent: Thursday, 7 October 2021 3:20 PM
To: s22 @industry.gov.au>; s22 @industry.gov.au>
Cc: s22 @industry.gov.au>; s22 @industry.gov.au>; s22 @industry.gov.au>; MediaTeam <MediaTeam@industry.gov.au>; s22 @industry.gov.au>; s22 @industry.gov.au>

s22 @industry.gov.au>

Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Thanks s22

s22 – we can't say anything about the claim (amount, timing, registration etc).

s22 – do we have standard words for cases like this?

Cheers, Kirsty

OFFICIAL

From: s22

Sent: Thursday, 7 October 2021 3:06 PM

To: Gowans, Kirsty <Kirsty.Gowans@industry.gov.au>; s22 @industry.gov.au>

Cc: s22 @industry.gov.au>; s22 @industry.gov.au>;

s22 @industry.gov.au>; s22 @industry.gov.au>; MediaTeam

<MediaTeam@industry.gov.au>

Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty

None that I know of.

47E(a)

It is a self-assessment program and registration of R&D activities by a company does not determine eligibility.

Regards

s22

Acting Manager – National Assessments

National Assessments Team | Research & Development Tax Incentive | AusIndustry

Department of Industry, Science, Energy and Resources

s22 @industry.gov.au

ABN 74 599 608 295

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[Subscribe to the R&D Tax Incentive Newsletter](#)

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OFFICIAL

From: Gowans, Kirsty
Sent: Thursday, 7 October 2021 11:57 AM
To: s22 <s22@industry.gov.au>
Cc: s22 <s22@industry.gov.au>; s22 <s22@industry.gov.au>; MediaTeam <MediaTeam@industry.gov.au>; s22 <s22@industry.gov.au>
Subject: RE: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

I will just find out the details and get back to you. We cannot disclose details of companies accessing RDTI (unless they make a public disclosure or have provided us with consent). We would normally make a general statement to the effect that RDTI is a self-assessment program, consistent with Australia's general taxation law. The Minister has no role in assessing eligibility for RDTI or in making findings under the IRD Act. These are made by the IISA Board, or its delegates.

s22 – can you let me know if we have any specific information about this company that may give rise any sensitivities.

Kind Regards

Kirsty

OFFICIAL

From: s22
Sent: Thursday, 7 October 2021 2:49 PM
To: Gowans, Kirsty <Kirsty.Gowans@industry.gov.au>
Cc: s22 <s22@industry.gov.au>; s22 <s22@industry.gov.au>; MediaTeam <MediaTeam@industry.gov.au>
Subject: Urgent Media Enquiry: Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty,

We've just received this media enquiry with a COB deadline. Not sure what/how much we can really say (also he doesn't seem to understand how the incentive is applied), but would be great to get a response we can past the Taylor MO by 3.45pm.

Normally for something like this we'd just be looking for a high-level statement (in this instance probably the RDTI works and is applied) instead of answers to individual questions.

Happy to chat.

Many thanks

s22

s22

Assistant Manager, Media and Speechwriting
Communications | Corporate and Digital

s22

s22@industry.gov.au

From: s 11C(1)(a)
Sent: Thursday, 7 October 2021 2:32 PM
To: Media - Industry <Media@industry.gov.au>
Subject: Empire Energy and the R&D tax incentive

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s 11C(1)(a)



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OFFICIAL

s22

From: s22
Sent: Tuesday, 12 October 2021 11:18 AM
To: Gowans, Kirsty; Greenwood, Emma
Cc: s22 MediaTeam
Subject: FW: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi Kirsty – and Emma,

Just an update. s22 in Minister Taylor's has come back on that background. I'm right in telling her – in response to 'shouldn't this be a question for Treasury' – the below?

The R&D Tax incentive is co-administered by us and the ATO, but eligibility of R&D activities is our remit.

//

s22

OFFICIAL

From: s22
Sent: Tuesday, 12 October 2021 11:05 AM
To: s22
Cc: MediaTeam ; s22
Subject: RE: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi guys,

I'm fine with that background but wouldn't questions on how the R&D tax incentive works be one for the Treasury?

Thanks

s22

OFFICIAL

From: s22
Sent: Monday, 11 October 2021 10:46 AM
To: s22 @energy.gov.au>; s22 @energy.gov.au>;
s22 @energy.gov.au>
Cc: MediaTeam <MediaTeam@industry.gov.au>; s22 @industry.gov.au>; s22 @industry.gov.au>
Subject: RE: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

Hi s22

Just checking whether you're comfortable with the below background for s 11C(1)(a)

He has published his article <https://www.theguardian.com/environment/2021/oct/11/empire-energy-received-5m-tax-incentive-for-fracking-gas-well-in-beetaloo-basin>, but is still chasing clarification on the below questions.

Thanks for the response. I'm afraid it doesn't really address my central question.

You say DISER is responsible for determining the eligibility of R&D activity.

How was Empire's exploratory drilling via the Carpentaria-1 well deemed eligible, given it is clearly being done for the dominant purpose of identifying deposits and assessing their commercial value?

Or are you telling me the department has not yet reviewed these activities? If so, is the department planning to conduct such a review?

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Cheers

s22

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s22 <@energy.gov.au>

Cc: MediaTeam <MediaTeam@industry.gov.au>; s22 <@industry.gov.au>; s22 <@industry.gov.au>

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Subject: RE: Media enquiry - The Guardian - Empire Energy and the R&D tax incentive [SEC=OFFICIAL]

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Cc: MediaTeam <MediaTeam@industry.gov.au>; s22 <@industry.gov.au>; s22 <@industry.gov.au>

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//

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OFFICIAL

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To: s22 <s22@energy.gov.au>; s22 <s22@energy.gov.au>;

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s22

Assistant Manager, Media and Speechwriting

Communications | Corporate and Digital

s22

[@industry.gov.au](mailto:s22@industry.gov.au)

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Disclosure Log Number –
 21/079/69883

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Many thanks,

s 11C(1)(a)



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