

# Emphasizing the D in R&D in times of economic constraint

In recent issues, we've talked about AFRDI's research and development capabilities, but to take a leaf out of other countries' experience in the current economic climate, we may have been missing an opportunity – and that's to talk more about the development side of R and D.

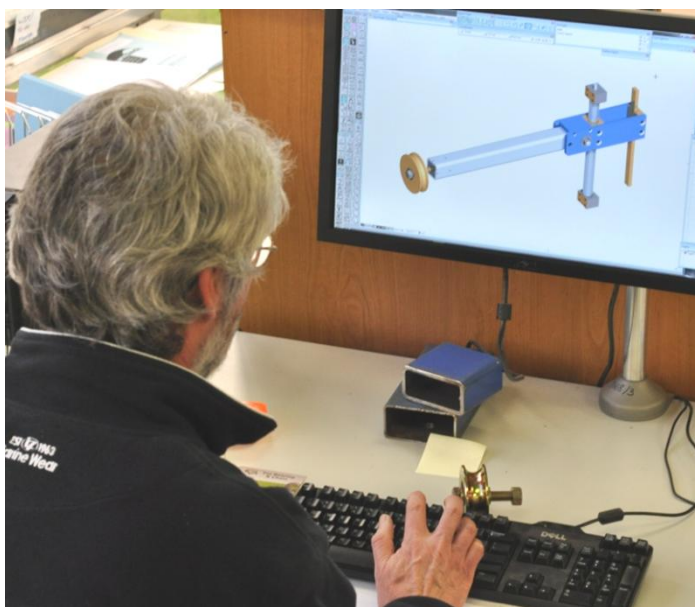
Scanning overseas publications, and in particular North America, it seems the trend is not so much to innovate – with its associated high risk and uncertain outcomes – but to develop what's already in place, bearing in mind that full economic recovery may still take some years to come about: blue sky thinking, however desirable it may be theoretically, is not necessarily the way to risk precious capital at the moment.

It's certainly AFRDI's experience that changing just a couple of fasteners can make the difference between pass and fail for a chair or table under test. Empirically, we can say the fastener broke, or pulled out: we can't, without a lot of additional work, necessarily say how the item might be re-designed to make it work properly every time. We see that as development work, something we would not normally undertake.

But if our clients should ask us to do that development work on their behalf, that may be an entirely different matter, depending ultimately on how the Taxation Office judges applications which are more focused on development than the research which normally partners the process. The essential test is whether the testing/research involves a high degree of commercial risk, because of uncertain outcomes.

Another example of the way that AFRDI can help by way of the development side of R&D is in chair mechanisms, where actual testing of prototypes coupled with our long experience can help improve design. Testing experience would also indicate that there may be room for development work on height adjustable tables, where mechanisms sometimes are not up to the task, and the method of attaching legs and other fixtures sometimes is not well thought through, indicating a need for further product development.

It is a requirement for companies to prepare R&D plans for all R&D activities for them to be eligible for the R&D Tax Concession. A deduction is not allowable for activities that are not included in an R&D plan authorised by the company, in accordance with the Guidelines issued by Innovation Australia (the Board). Companies do not need to submit their R&D plans to the Board. However, they must keep them as part of their records and make them available upon request by AusIndustry.



**Industrial designer Guy Manley works closely with AFRDI's technical manager Ian Burton and other technical staff in the design and manufacture of specialised testing machines.**

As a Registered Research Agency (RRA) Furntech-AFRDI can undertake R&D work for you on various furniture products and components. Contact us at [info@furntech.org.au](mailto:info@furntech.org.au) or (03) 6326 6155