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SUBMISSION 46

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11 January 2007

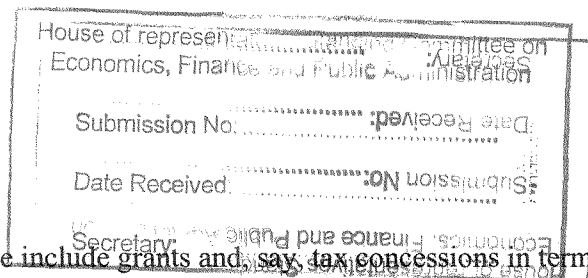
**INQUIRY INTO AUSTRALIA'S MANUFACTURED EXPORT AND IMPORT
COMPETING BASE - QUESTION ON NOTICE**

Please find attached my response to a question taken on notice from Mr Keenan (EFPA 47 in your draft Hansard). I should like to emphasise that the Industry Department is not responsible for all government expenditures (and tax concessions) related to R&D. However, I have endeavoured to be as comprehensive as possible in my response.

Donald Brunker
11 January 2007

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SUBMISSION 46

QUESTION

Mr KEENAN – If we include grants and say tax concessions in terms of lost revenue, how much money does the government spend on R&D in any given year? How much has it spent for the most recent financial year?

ANSWER

The Table below shows DITR's best estimate of the amount spent by government (including revenue forgone from the R&D tax concession) in the 2004-05 financial year – (2004-05 is the latest financial year for which a consolidated set of data for all sectors is available). The 'Sector' column indicates the destination of that government funding.

Sector	2004-2005 Financial Year			Info Source
	Programmes	\$ '000	\$ '000	
Business	125% R&D Tax Concession	320,000		Tax Expenditure Statement, 2006
	175% R&D Tax Concession	100,000		
	R&D Grants	330,895		ABS (2006) Cat. No. 8112.0
	Total Business		750,895	
Commonwealth (Research Agencies)			1,334,046	ABS (2006) Cat. No. 8112.0
State (Research Agencies)			156,487	ABS (2006) Cat. No. 8112.0
Higher Education <small>(Only includes R&D programmes identified for funding under the Higher Education Support Act 2003)</small>	Commonwealth Competitive Grants Scheme	704,698		DEST 2006-07 Science and Innovation Budget Tables
	Research Training Scheme	552,200		
	Institutional Grants Scheme	290,600		
	Research infrastructure Block Grants	183,000		
	Systemic Infrastructure Initiative	39,900		
	Australian Postgraduate Research Awards	91,200		
	International Postgraduate Research	18,100		
	Regional Protection Scheme	3,000		
	Other Research Grants	5,800		DEST Higher Education Report 2004-05
Total Higher Education			1,888,498	
Private Non-Profit			149,099	ABS (2006) Cat. No. 8112.0
Total Commonwealth Support			4,279,025	