

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Supplementary Budget Estimates Hearing 2012-13
17 October 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: R&D Expenditure

REFERENCE: Question on Notice (Hansard, 17 October 2012, pages 67-68)

QUESTION No.: SI-29

Senator URQUHART: Could you give me some information about the ABS statistics that were released in relation to R&D expenditure in Australia?

Ms Baly: I think the officers that put those tables together have probably gone.

Senator URQUHART: You could take that one on notice then.

Ms Baly: We will take that one on notice.

Senator URQUHART: In relation to that to, could you add to that information on notice how much R&D expenditure has been in manufacturing in particular, and how that is expected to assist innovation and industry in the pharmaceutical industry? A breakdown of that would be great.

Ms Baly: Certainly.

ANSWER

The Australian Bureau of Statistic released statistics on Research and Experimental Development by Australian Businesses, and by all sectors in 2010-11 (ABS Cat. No. 8104.0) on 11 September 2012.

Australian businesses spent \$17.88 billion on R&D in 2010-11 compared to \$16.76 billion in 2009-10, an increase of 6.7 per cent in current prices.

Manufacturing was the main contributor to business R&D expenditure in 2010-11, with \$4.8 billion (or 27 per cent of the total). It also reported the largest increase in expenditure from 2009-10, up \$0.5 billion (12 per cent).

Business Expenditure on Research and Development (BERD) for the pharmaceutical industry was \$1.0 billion (5.6 per cent of total BERD) in 2010-11 comprising:

- BERD for 'Human Pharmaceutical Products' of \$0.7 billion, and
- BERD for 'Clinical Health' of \$0.3 billion.

R&D assists innovation and industry in the pharmaceutical industry in Australia through:

- clinical trials, which are an important part of developing new medicines and providing high skilled jobs;

- pharmaceutical companies investing in, and collaborating with, Australian biotechnology companies which are often small start-up companies, to commercialise Australian research;
- undertaking their own research often supporting researchers in universities and medical research institutes to develop new medicines with a view to adding to their pipelines, creating products to sell globally. Australian industry developments have gained worldwide recognition; and
- developing new improved formulations of existing medicines and improved manufacturing techniques and facilities that can be used by other companies as well as providing large volumes of medicines that require specialist skills and equipment to produce.