

TABLE 1 Summary of Major Commonwealth Support for Science and Innovation through the Budget and Other Appropriations - Actual Cost in Year Incurred^a

		← Cash Outlays (\$m) ^b →					← Accrual Expenses (\$m) ^b →				
	<i>post ref</i> ^c	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	<i>est actual</i>	<i>budget est</i>
MAJOR FEDERAL RESEARCH AGENCIES											
• DSTO	1	247.4	267.6	254.9	245.5	249.2	264.8	284.9	340.3	346.5	355.3
• CSIRO	2	461.6	417.6	444.5	466.8	475.4	500.0	496.7	509.6	532.1	568.1
• Other R&D Agencies	3	223.8	232.3	275.7	252.3	240.8	268.3	334.5	381.8	425.2	449.0
SUB-TOTAL ^d		932.8	917.5	975.1	964.6	965.4	1033.1	1116.1	1231.7	1303.8	1372.4
SCIENCE AND TECHNOLOGY SUPPORT											
• NH&MRC and other health	4	151.8	163.0	166.1	173.6	193.7	185.7	308.9	247.5	339.2	378.3
• Cooperative Research Centres ^e	5	103.7	132.7	143.1	146.9	142.3	137.5	139.8	146.5	148.6	202.0
• Rural	6	130.7	126.5	126.0	140.5	150.2	138.2	141.3	197.5	194.5	202.8
• Energy and environment	7	19.1	19.6	11.4	25.2	8.9	11.8	20.9	33.6	38.1	63.4
• Other science support	8	7.7	14.3	24.7	28.7	12.1	16.5	16.2	15.9	31.8	43.2
SUB-TOTAL		413.0	456.1	471.3	514.9	507.2	489.7	627.1	641.0	752.2	889.7
INNOVATION SUPPORT											
• IR&D tax concession ^f	9	698	825	525	420	370	405	426	428	443	484
• R&D Start	10	45.6	50.4	62.4	102.7	130.7	154.9	155.3	207.0	126.1	168.2
• Other innovation support	11	87.7	79.0	65.4	37.7	97.1	135.1	148.3	322.1	303.4	353.8
SUB-TOTAL		831	954	653	560	598	695	730	957	873	1006
HIGHER EDUCATION RESEARCH											
• ARC	12	-	-	-	-	-	-	247.8	265.2	363.3	413.9
• Other R&D support	13	4	3	3	3	3	6	1547	1604	1697	1744
• R&D support under former funding framework	14	1377	1502	1611	1675	1737	1776	-	-	-	-
SUB-TOTAL ^g		1381	1505	1613	1678	1740	1782	1795	1869	2060	2158
TOTAL COMMONWEALTH SUPPORT		3558	3833	3712	3718	3810	4000	4268	4699	4989	5426
% GDP		0.75	0.76	0.70	0.66	0.64	0.64	0.64	0.66	0.66	0.68

Notes:

- a The financial data in this table are an aggregate of the expenditure data sourced from tables 2, 3 & 4.
b Prior to the 1999-00 financial year, budget expenditures were reported on a cash accounting basis. Expenditures from the 1999-00 financial year onwards are reported in accordance with the principles of accrual accounting.
c Posting references have been added to assist in the disaggregation of data to their respective sources in Tables 2, 3 & 4.
d The financial data of the research agencies exclude the Capital Use Charge which was included in previous years. To facilitate comparability with the information from earlier publications, the total CUC applicable for each of the relevant financial years are provided in the table below:

	1999-00	2000-01	2001-02	2002-03
Total Capital Use Charge (\$m)	169.4	186.9	184.0	211.6

- e This includes \$5 million to support the formal affiliation of the Australian Institute of Marine Science with James Cook University.
f The amounts indicated for the R&D tax concession are estimates only. The estimates presented in the table relate to the year in which companies undertake the R&D for which they subsequently claim the concession. They depend on data published in the *Taxation Expenditures Statement 2002* and will require revision as new taxation data become available.
g New funding arrangements due to the establishment of the Australian Research Council (ARC) as an independent statutory authority and the introduction of new performance block funding schemes for research and research training under the *Australian Research Council (Consequential and Transitional Provisions) Act 2001* have resulted in a break in the series for the published breakdown between ARC and other R&D support prior to 2000-01. However, the sub-totals shown are comparable throughout the series.

TABLE 2 Major Commonwealth Research Agencies – Budget Expenditures^{a,f}

	<i>post ref^c</i>	← Cash Outlays (\$m) ^b →					← Accrual Expenses (\$m) ^b →				
		1994-95	1995-95	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	<i>est actual</i> 2002-03	<i>budget est</i> 2003-04
AGRICULTURE, FISHERIES AND FORESTRY											
Australian Animal Health Laboratory	3	6.2	5.8	6.0	6.1	6.1	6.1	5.8	5.8	6.1	6.2
DEFENCE											
Defence Science and Technology Organisation ^{d,h}	1	247.4	267.6	254.9	245.5	249.2	264.8	284.9	340.3	346.5	355.3
EDUCATION, SCIENCE & TRAINING											
CSIRO ^h	2	461.6	417.6	444.5	466.8	475.4	500.0	496.7	509.6	532.1	568.1
Australian Nuclear Science & Technology Organisation ^h	3	66.2	65.6	63.7	72.7	74.5	80.0	140.8	158.7	203.6	219.2
Australian Institute of Marine Science ^h	3	16.5	16.6	16.4	16.4	18.5	21.1	21.4	22.4	24.3	22.1
Anglo-Australian Telescope	3	3.0	3.2	3.3	3.5	3.6	3.7	3.7	3.8	3.9	4.0
ENVIRONMENT & HERITAGE											
Antarctic Division ^h	3	61.3	63.1	59.4	61.9	62.7	80.1	83.8	92.0	83.5	84.8
Bureau of Meteorology Research Centre (BMRC) ^{e,h}	3	3.6	4.0	4.4	4.5	4.4	10.3	10.7	9.4	9.7	9.8
Environmental Research Institute of the Supervising Scientist	3	6.5	6.0	5.4	4.3	4.2	6.5	7.4	8.4	8.0	7.1
INDUSTRY, TOURISM & RESOURCES											
Geoscience Australia ^{g,h}	3	60.5	68.0	117.1	82.9	66.8	60.5	60.9	81.3	86.1	95.8
TOTAL		932.8	917.5	975.1	964.6	965.4	1033.1	1116.1	1231.7	1303.8	1372.4

Notes:

- a The financial data have been supplied and/or confirmed by the departments and agencies responsible for administering the programmes listed in the table.
- b Prior to the 1999-00 financial year, budget expenditures were reported on a cash accounting basis. Expenditures from 1999-00 onwards are reported in accordance with the principles of accrual accounting.
- c Posting references assist in reconciliation with the aggregate expenditures presented in Table 1.
- d DSTO expenditures shown here include costs associated with estate management and administrative support provided by other Defence Groups. The significant increase in 2001-02 is due to an internal reassessment within Defence of the cost of corporate support services provided to each Group.
- e The accrual data include items such as superannuation, overheads, and funds in trust accounts, which were not included in the cash expenditure data reported for financial years prior to 1999-00.
- f The main function of the Australian Institute of Health & Welfare (AIHW) is statistical collection rather than health & welfare research *per se*. Following discussions between the AIHW and the Department of Health and Ageing, it has been decided that as of 2003-04, financial data of the AIHW will not be included in this table.
- g The outlays in 1996-97 and 1997-98 financial years included major expenditure on capital works. In 2001-02, AGSO merged with AUSLIG to become Geoscience Australia.
- h The Capital Use Charge (CUC) is an internal accounting item which does not impact on the operating budget and was introduced in 1999-00 as part of the reforms to financial reporting. Because of the decision to abolish the CUC as of the 2003-04 financial year, the CUC component has been removed retrospectively from the financial data of affected agencies to affect comparability of financial data between 2003-04 and the preceding financial years to 1999-00. The CUC of the agencies affected are provided in the table below to enable reconciliation with financial data published in previous years:

Agency	Capital Use Charge (\$m)			
	1999-00	2000-01	2001-02	2002-03
Defence Science and Technology Organisation	4.5	6.9	0	0
CSIRO	117.1	114.3	102.9	107.2
ANSTO	24.6	40.2	57.7	68.9
AIMS	3.8	4.6	5.0	5.3
Antarctic Division	17.9	19.4	16.0	27.7
Bureau of Meteorology Research Centre	-0.1	0	0	-0.2
Geoscience Australia	1.6	1.5	2.4	2.7

TABLE 3 Major R&D Granting Programmes and Other Support for Science and Innovation through the Budget^a

		← Cash Outlays (\$m) ^b →					← Accrual Expenses (\$m) ^b →				
	<i>post ref^c</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-00</i>	<i>2000-01</i>	<i>2001-02</i>	<i>est actual 2002-03</i>	<i>budget est 2003-04</i>
AGRICULTURE, FISHERIES & FORESTRY^d											
Wool Research	6	15.1	11.7	10.4	7.2	9.6	9.2	9.0	22.5	16.2	22.5
Meat Research	6	25.1	22.6	21.1	22.8	21.4	20.2	20.2	23.5	23.5	23.5
Fishing Industry Research	6	9.2	10.4	11.3	11.2	12.1	13.1	12.8	15.8	17.0	18.3
Grains	6	23.3	21.3	29.1	33.8	33.6	31.9	34.0	40.8	39.3	41.2
Horticulture Research	6	10.7	11.4	12.0	11.4	15.3	15.8	15.8	29.5	29.5	29.5
Land & Water Research	6	11.3	10.6	9.8	10.8	11.0	11.0	11.3	11.6	11.9	12.2
Rural Industries R&D Corporation	6	10.5	10.5	5.6	10.8	11.0	3.8	3.7	17.2	17.5	15.9
Other rural research	6	25.5	28.0	26.7	32.5	36.2	33.2	34.5	36.6	39.6	39.7
New Industries Development Programme	11	-	-	-	-	-	1.0	1.0	3.8	4.0	2.6
Food innovation grants	11	-	-	-	-	-	-	-	-	1.9	8.9
Centres of Excellence	11	-	-	-	-	-	-	-	-	0.9	3.0
COMMUNICATIONS, INFORMATION TECH. & the ARTS											
ICT Centre of Excellence	11	-	-	-	-	-	-	-	-	10.3	11.3
Building Information Technology Strengths – Incubators	11	-	-	-	-	-	19.5	6.0	22.7	16.1	11.6
Building Information Technology Strengths – Intelligent Island (Tas.)	11	-	-	-	-	-	20.0	0.0	20.0	-	-
Information Technology Online (ITOL)	11	-	-	-	-	-	1.9	1.4	5.0	2.5	2.5
Software-Engineering Australia	11	-	-	-	-	1.2	5.7	7.0	3.5	2.0	-
Test-IT	11	-	-	-	-	-	-	-	-	0.5	-
Société Internationale de Télécommunications Aéronautiques	11	-	-	-	-	1.7	2.2	1.7	2.3	2.1	1.1
Advanced Networks Programme	11	-	-	-	-	-	-	-	21.9	8.8	6.6
ENVIRONMENT & HERITAGE											
Aust. Biological Resources Study	7	2.0	1.8	1.3	1.0	1.4	2.0	1.6	4.5	3.8	4.0
Greenhouse Research (NGRP)	7	6.0	6.0	3.5	3.6	3.1	4.0	3.8	3.9	3.9	4.1
Renewable Energy Comm. Programme	7	-	-	-	-	-	-	6.8	8.9	9.9	14.0
Renewable Energy Equity Fund	7	-	-	-	-	2.0	2.7	2.8	2.5	2.6	3.1
Energy research	7	11.1	11.8	6.6	20.6	1.5	-	-	-	-	-
National Carbon Accounting System	7	-	-	-	-	0.9	3.1	5.9	4.8	5.3	2.7
Greenhouse Gas Abatement Programme	7	-	-	-	-	-	-	-	9.0	12.6	35.5
EDUCATION, SCIENCE & TRAINING											
Cooperative Research Centre Grants ^l	5	103.7	132.7	143.1	146.9	142.3	137.5	139.8	146.5	148.6	202.0
Major National Research Facilities	8	-	6.4	17.0	20.9	10.7	4.8	4.9	4.5	25.0	38.5
Innovation Access Program – international S&T ^e	11	-	-	-	-	-	-	-	4.1	7.7	7.6
Research Evaluation and Academies	13	2.1	2.1	2.2	2.0	2.5	2.3	2.5	2.4	2.5	2.5
Targeted Institutional Links Programme	13	1.4	0.8	0.5	0.5	-	-	-	-	-	-
HEALTH & AGED CARE											
NH&MRC Research Grants ^f	4	126.7	141.3	152.4	158.9	176.0	185.7	308.9	247.5	339.2	378.3
Capital Works for Medical Institutes	4	13.0	9.6	2.0	2.7	5.7	-	-	-	-	-
AIDS Research	4	12.1	12.1	11.7	12.0	12.0	-	-	-	-	-
INDUSTRY, TOURISM & RESOURCES											
Industry Innovation Programme (Includes R&D Start Grants)	10	-	-	-	-	-	154.9	155.3	207.0	126.1	168.2
R&D Start Loans Programme	11	-	-	-	-	-	15.9	12.8	16.1	10.0	17.0
COMET	11	-	-	-	-	-	2.1	8.9	12.2	11.7	7.7
Industry Innovation Programme	10	45.6	50.4	62.4	102.7	130.7	-	-	-	-	-
Innovation Investment Fund ^e	11	-	-	-	4.0	21.3	35.2	25.3	27.3	26.0	42.2
Pre-Seed Fund	11	-	-	-	-	-	-	-	0	6.0	14.0
Biotech Centre Excellence	11	-	-	-	-	-	-	-	0.8	3.6	4.6
Biotechnology Innovation Fund	11	-	-	-	-	-	-	-	4.0	11.9	15.6
Innovation Access Programme – industry ^e	11	-	-	-	-	-	-	-	-	5.2	12.2
Technology Diffusion Programme	11	-	-	-	-	12.8	15.9	14.2	12.9	4.2	-

TABLE 3 Major R&D Granting Programmes and other Support for Science and Innovation through the Budget^a (continued)

	<i>post ref^c</i>	<i>Cash Outlays (\$m)^b</i>					<i>Accrual Expenses (\$m)^b</i>				
		←				→	←				→
		1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	<i>est actual</i> 2002-03	<i>budget est</i> 2003-04
Technology Support Centres	11	3.9	12.2	7.2	13.7	-	-	-	-	-	-
International S&T Programme	8	5.5	5.6	5.6	5.6	-	-	-	-	-	-
National Space Program	11	9.0	2.7	1.7	0.5	1.5	-	-	-	-	-
Shipbuilding Innovation Scheme	11	-	-	-	-	-	5.5	7.8	6.4	8.7	15.6
Assistance under the Bounty ^h (Computers) Act 1984	11	74.8	64.1	56.5	19.5	58.6	-	-	-	-	-
Pharmaceutical Industry Investment Fund ⁱ	11	-	-	-	-	-	7.2	11.1	13.4	18.6	23.2
Automotive Competitiveness and Investment Scheme	11	-	-	-	-	-	-	43.1	142.2	132.7	146.5
TRANSPORT & REGIONAL SERVICES											
Payments to Austroads/ARRB Transport Research Ltd.	8	2.2	2.3	2.1	2.2	1.4	2.2	1.8	1.8	1.9	1.9
TOTAL		549.8	588.4	601.8	657.8	737.5	769.5	915.7	1159.4	1171.3	1411.4

Notes:

- Sources: Financial data have been supplied and/or confirmed by the departments and agencies responsible for the programmes listed in the table. Expenses attributable to the administration of programmes are excluded from the data.
- Prior to the 1999-00 financial year, budget expenditures were reported on a cash accounting basis. Expenditures from the 1999-00 financial year onwards are reported in accordance with the principles of accrual accounting.
- Posting references assist in reconciliation with the aggregate outlays presented in Table 1.
- The expenditure figures for Wool, Meat, Other Rural Research, Fish, Horticulture and Grains exclude that component of Commonwealth outlays funded from industry levies. The component of outlays provided by way of industry levy or contribution is given in the following table:

Industry Contributions - Rural Research Levies (estimated proportion of levies attributable to research purposes - \$m)

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Wool	19.50	10.94	12.79	13.09	10.53	11.97	11.81	56.31	55.26	51.26
Meat	23.52	22.40	23.13	24.50	12.31	21.33	23.52	15.93	15.53	16.87
Grains										
- Wheat	16.28	33.65	35.17	32.02	31.64	29.05	27.37	37.14	37.00	35.00
- Other Grains	8.51	17.18	19.48	20.39	17.97	17.75	21.13	24.79	23.74	24.81
Special Rural	1.32	1.57	1.39	1.87	1.80	-	-	-	-	-
Fish	2.41	2.46	2.52	2.88	3.30	3.61	3.57	4.40	4.97	5.34
Horticulture	3.61	4.28	8.04	9.06	8.86	9.83	10.77	10.44	21.06	21.55
Other Rural										
- Chicken Meat	0.71	0.71	0.79	0.82	0.79	0.84	0.85	0.90	0.92	0.92
- Cotton	2.13	2.90	4.30	5.48	5.57	5.36	5.44	5.00	6.32	5.32
- Dairying	6.13	5.75	8.36	10.94	11.86	14.25	15.71	11.52	13.64	13.82
- Dried Fruit ^j	0.49	0.39	0.79	0.41	0.70	0.70	0.71	0.45	0.45	-
- Grape & Wine	2.08	1.91	2.62	2.37	4.60	5.63	5.52	7.35	8.09	8.32
- Honey	0.15	0.15	0.20	0.16	0.18	0.19	0.19	0.20	0.16	0.18
- Pig Industry	3.75	3.57	3.42	3.46	3.47	3.65	3.92	11.79	11.73	12.86
- Egg Industry	0.63	0.68	0.76	0.77	0.71	0.66	0.68	0.71	0.77	0.77
- Sugar	4.89	5.46	5.99	6.17	6.04	5.99	6.17	4.28	5.50	5.50
- Tobacco ^k	0.33	0.49	0.57	0.83	0.63	0.76	0.68	0.63	0.21	-
- Forestry	0.38	1.00	1.72	2.53	2.56	3.14	3.17	3.03	3.94	3.52
Total	96.82	115.49	132.04	137.75	123.52	134.71	141.21	194.87	209.29	206.04

- Following the transfer of science to the new Department of Education, Science and Training (DEST), the Innovation Access Program (IAP) was split between DEST and the Department of Industry, Tourism and Resources (DITR).
- Includes funding for health and health services research grants, and from 1999-2000 also includes AIDS research and the Medical Institutes. During 2001-02, the Department changed its accounting policy for the recognition of expenditure on research grants, with consequent adjustments to the appropriations, in line with Australian Accounting Standards (AAS 29) and changes to the Minister for Finance Orders. Adjustments have been made to the estimates to expense funds progressively in each year in which research is conducted, rather than in full when multi-year grant commitments are accepted. Thus, the adjustments only reflect changes to the timing of the recognition of expenses and do not impact on the aggregate level of multi-year grants able to be approved each year.
- Appropriated via administered capital.
- The Bounty Scheme concluded in 1998-99. It provided assistance for local manufacturers of computer hardware, systems software and electronic microcircuits and covered design and development costs.
- Funding allocated to supporting research and development activities under this programme.
- This levy is now combined with the Horticulture levy.
- This levy has ceased.
- This includes \$5 million to support the formal affiliation of the Australian Institute of Marine Science with James Cook University.

TABLE 4 Estimated Costs of Programmes and Incentives Providing Support for Science and Innovation outside the Budget^a

		← Cash Outlays (\$m) ^b →						← Accrual Expenses (\$m) ^b →					
	<i>post ref^c</i>	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	<i>est actual</i>	<i>budget est</i>	2002-03	2003-04
COMMUNICATION, INFORMATION TECH & the ARTS													
Support from the Federation Fund													
- Commonwealth Technology Port	11	-	-	-	-	-	3.0	8.0	3.5	8.0	-	-	-
EDUCATION, SCIENCE & TRAINING													
<i>Former funding framework</i>													
Science Lectureships	13	-	-	-	-	-	3.9	11.0	-	-	-	-	-
Special research assistance ^{d,c}	14	306.3	346.4	396.5	420.4	451.2	442.9	-	-	-	-	-	-
Funding for ANU Institute of Advanced Studies ^e	14	147	150	152	151	151	151	-	-	-	-	-	-
Estimated research & research training component sourced in the operating grant ^f	14	924	1006	1062	1104	1135	1182	-	-	-	-	-	-
<i>Current funding framework</i>													
Performance based block funding for research and research training under HEFA													
- Research Training Scheme	13	-	-	-	-	-	-	504.5	515.6	529.1	540.4	-	-
- Institutional Grants Scheme	13	-	-	-	-	-	-	257.2	262.9	278.1	284.6	-	-
- Research Infrastructure Block Grants ^e	13	-	-	-	-	-	-	81.5	111.2	140.2	160.3	-	-
- Systemic Infrastructure Initiative ^e	13	-	-	-	-	-	-	-	23.6	56.2	54.7	-	-
- Australian Postgraduate Awards	13	-	-	-	-	-	-	83.1	83.2	84.5	89.3	-	-
- International postgraduate research	13	-	-	-	-	-	-	16.2	14.0	17.7	17.7	-	-
- Regional Protection Scheme	13	-	-	-	-	-	-	-	2.0	3.3	2.0	-	-
Estimate of operating grant funding expended on research ^h	13	-	-	-	-	-	-	591	589	585	585	-	-
Australian Research Council	12	-	-	-	-	-	-	247.8	265.2	363.3	413.9	-	-
Mount Stromlo Observatory Reconstruction	13	-	-	-	-	-	-	-	-	-	7.3	-	-
Support from the Federation Fund													
- National Marine Science Centre	8	-	-	-	-	-	6.0	1.5	4.5	0.1	-	-	-
- Institute of Molecular Bioscience	8	-	-	-	-	-	3.5	8.0	3.0	0.5	-	-	-
ENVIRONMENT & HERITAGE													
National Oceans Office	8	-	-	-	-	-	-	-	2.1	4.3	2.8	-	-
INDUSTRY, TOURISM & RESOURCES													
R&D Tax Concession ⁱ	9	675	800	500	390	340	370	380	270	280	320	-	-
Premium Tax Concession for additional R&D ^{i,j}	9	-	-	-	-	-	-	-	130	135	135	-	-
R&D refundable tax off-set ^k	9	-	-	-	-	-	-	-	15	12	10	-	-
Tax deduction for patents designs and copyright ^l	9	23	25	25	30	30	30	35	-	-	-	-	-
Pooled Development Funds ^l	9	-	-	-	-	-	5	11	13	16	19	-	-
TOTAL		2075	2327	2136	2095	2107	2197	2236	2308	2513	2642		

Notes:

- Financial data have been provided and/or confirmed by the departments responsible for the programmes as listed in the table. Expenses attributable to the administration of programmes are excluded from the data. 'Outside the Budget' refers to budget appropriations not made under Appropriations Bills 1&2.
- Prior to 1999, budget outlays were reported on a cash accounting basis. Expenses from 1999 onwards are reported in accordance with the principles of accrual accounting.
- Posting references assist in the reconciliation with the aggregate outlays presented in Table 1.
- Prior to 2000-01, 'special research assistance' included funding for research grants, fellowships, centres, postgraduate awards and infrastructure provided by the Australian Research Council (ARC) and the then Department of Education, Training and Youth Affairs (DETYA).
- This item includes funds for research and research training provided to the Institute of Advanced Studies (IAS) of the Australian National University (ANU) through the ANU's operating grant. From 2001-02 onwards, new arrangements were introduced to allow the IAS to make contributions from its block fund to gain access to the competitive and formula-driven research schemes of the then DETYA (now DEST), the ARC and the NH&MRC. Funding for 2000-01 onwards is subsumed in the item 'Estimate of operating grant funding sourced for research'.
- This represents an estimate of operating grant expended on research until 1999-2000. The estimate is based on the Australian Bureau of Statistics (ABS) survey of research expenditure of universities by source of funds. One of the sources identified by the ABS is General University Funds (GUF). The universities' operating grant is the major component of GUF, and can be estimated by using the operating revenue figures from DEST calculated by applying the same proportion of GUF attributable to the operating grant, to the R&D funds sourced from GUF (this latter is based on year 1998 ABS data, and for 1999-2000 on year 2000 ABS data) For example, estimates for 1997-98 and 1998-99 are based on year 1998 ABS data while the 1999-2000 estimates are based on

the year 2000 ABS data. Prior to 2000-01, such estimates included any funding for a notional Research Training Component, the Research Quantum and an estimate of all other research funding sourced by universities from the operating grant.

- g Performance-based block funding increased in 2002-03 as a result of additional support provided through *Backing Australia's Ability* for the Research Infrastructure Block Grants Scheme and the Systemic Infrastructure Initiative.
- h This represents an estimate of operating grant funds expended on research from 2000-01. The estimate for 2000-01 onwards is calculated using the same methodology as for earlier years (see note f), but is a substantially reduced figure as a result of changes to the funding framework that resulted in some programmes no longer being included with the operating grant. Estimates for 2000-01 onwards are based on year 2000 ABS data, using operating grant data for subsequent years, exclusive of capital roll-in.
- i The data series is based on estimates of revenue forgone as published in the Taxation Expenditures Statement 2002 (TES) and earlier issues. Note that the TES estimates – particularly in the case of the final years shown – are revised each year as more data come to hand. Thus the series here will require revision in the future. The data in Table 4 relate to the financial year when companies undertake the activity for which they subsequently claim a concession of deduction – that is, they are the estimated costs to revenue that would have occurred if companies had made the tax claim in the same financial year in which expenditure was incurred. This means that the data series presented in this table is brought forward by one year with respect to that published in the TES, since the TES data series reports data in the year in which revenue is forgone by the Government (normally, the year after expenditure is undertaken by companies). The carrying forward is necessary to bring the time series into alignment with: (1) business expenditure on R&D as reported annually by the Australian Bureau of Statistics; (2) R&D expenditure data as reported by companies registered for the 125% rate and, (3) time series for R&D programme data in Tables 2 and 3 above.
- j Supplementing the pre-existing 125% tax concession for industrial R&D and with effect from 1 July 2001, the Government's Innovation Statement *Backing Australia's Ability* introduced a 175% incremental (Premium) R&D Tax Concession for companies undertaking additional R&D. Note that the TES estimates provide for downwards adjustment of Pay as You Go (PAYG) tax instalments, particularly with respect to the first year in which the premium applies (with an estimate of \$40m for 2001-02). Since it is inappropriate to bring forward this component of the TES estimates, the bringing forwards of this series has been adjusted by dividing this first year adjustment for PAYG tax instalments between the subsequent two years to indicate expenditure estimated to occur in those years.
- k *Backing Australia's Ability* introduced a tax offset (rebate), with effect from 1 July 2001, that would permit small companies that are in tax loss (and so cannot receive an immediate benefit from the tax concession), to receive a cash payment equivalent to the concession. The offset is available both at the 125% rate and, where eligibility requirements are met, the 175% rate.
- l Established in 1992-93, but operating under substantially modified legislation since 1999, Pooled Development Funds are registered investments companies that provide patient equity capital for small or medium sized firms. The Funds are taxed at concessional rates.

TABLE 5 Commonwealth Support for Science and Innovation by Socio-Economic Objectives through the Budget and Other Measures^a

	← Cash Outlays (\$m) →			← Accrual Expenses (\$m) ^b →					%Total	%GDP
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	<i>est actual</i> 2002-03	<i>budget est</i> 2003-04		
<i>Socio-Economic Objectives^c</i>										
Exploration and exploitation of the earth	189.3	158.0	134.2	136.5	153.0	177.5	328.4	356.9	6.6	0.04
Infrastructure and general planning of land use ^d	36.5	34.9	31.9	38.5	37.2	40.8	64.1	85.5	1.6	0.01
Control and care of the environment ^e	85.5	89.2	93.4	105.3	128.2	135.1	68.3	80.7	1.5	0.01
Protection and improvement of human health	223.2	230.3	249.9	250.1	371.3	360.5	451.3	517.5	9.5	0.06
Production, distribution and rational utilisation of energy	90.9	101.6	78.3	86.1	123.4	134.5	87.4	119.3	2.2	0.01
Agricultural production and technology	279.4	297.4	304.3	307.0	319.3	354.5	358.1	396.4	7.3	0.05
Industrial production and technology	773.3	719.4	804.6	898.8	874.3	1042.3	1201.6	1355.0	25.0	0.17
Social structures and relationships	11.0	9.9	12.4	13.0	15.1	13.3	53.7	58.5	1.1	0.01
Exploration and exploitation of space							0.7	0.2	0.0	0.00
Research financed from general university funds ^f							1591.9	1634.0	30.1	0.21
Advancement of knowledge	1742.8	1812.1	1844.3	1890.9	1956.3	2100.2	431.8	460.3	8.5	0.06
Defence	281.2	265.2	257.0	273.9	290.3	340.4	352.3	362.0	6.7	0.05
TOTAL^g	3712	3718	3810	4000	4268	4699	4989	5426	100	0.68

Notes:

- a Table 5 represents the aggregate data from Table 2, 3 & 4 re-arranged by broad socio-economic objective (SEO) categories in accordance with general OECD practice for Government Budget Appropriations or Outlays on R&D (GBAORD). The categories are consistent with aggregated groups of the Australian Standard Research Classification (1998). The allocation of Budget funds corresponds to the intentions of the funder. Hence, the allocation according to SEO categories may vary from that achieved through the R&D surveys of the Australian Bureau of Statistics.
- b The accrual system of accounting was introduced in 1999-00.
- c The Socio-Economic Objective nomenclature reflects the recommendations of the OECD Frascati Manual (6th edition, 2002).
- d This socio-economic objective incorporates the previously separate categories of *Transport & telecommunications* and *Urban & rural planning*.
- e The socio-economic objective incorporates the previously separate categories of *Prevention of pollution* and *Identification & treatment of pollution*.
- f In line with OECD Frascati Manual (6th edition, 2002), the category *Research financed from general university funds*, which was previously combined with *Advancement of knowledge*, has been separated for the 2002-2003 financial year and onwards, creating a break in the series.
- g The totals include the revenue forgone items.