

TABLE 1. SUMMARY OF MAJOR COMMONWEALTH SUPPORT FOR SCIENCE AND INNOVATION THROUGH THE BUDGET AND OTHER APPROPRIATIONS - ACTUAL COST IN YEAR INCURRED ^a

	<i>post.</i> <i>ref</i> ^c	← Cash Outlays (\$m) ^b →					← Accrual Expenses (\$m) ^b →				
		1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	<i>est. actual</i> 2003-04	<i>budget est.</i> 2004-05
INTRAMURAL EXPENDITURE ON SCIENCE & INNOVATION ^d											
Major Federal Research Agencies											
· Defence Science & Technology Organisation	1	267.6	254.9	212.1	221.3	237.6	261.0	275.0	283.4	293.9	286.7
· CSIRO	2	417.6	444.5	466.8	475.4	500.0	496.7	509.6	532.1	568.6	576.5
· Other R&D Agencies	3	236.2	279.8	256.4	244.2	272.5	338.3	385.9	402.7	441.5	398.6
SUB-TOTAL		921.4	979.2	935.3	940.9	1010.1	1096.0	1170.5	1218.1	1304.1	1261.8
EXTRAMURAL EXPENDITURE ON SCIENCE & INNOVATION ^e											
Business Enterprise Sector											
· IR&D Tax Concession ^f	4	825.0	525.0	420.0	370.0	457.0	499.0	357.0	375.0	400.0	422.0
· R&DStart	5	50.4	62.4	102.7	130.7	154.9	155.3	207.0	115.5	134.2	156.9
· Other Innovation Support	6	79.0	65.4	37.7	96.6	135.1	148.2	315.5	286.9	305.9	293.7
SUB-TOTAL		954.4	652.8	560.4	597.3	747.0	802.5	879.5	777.4	840.1	872.6
Higher Education Sector											
· Australian Research Council ^g	7	-	-	-	-	-	247.8	265.8	298.3	413.9	482.4
· Performance Based Block Funding	8	-	-	-	-	-	942.5	1012.5	1086.6	1171.2	1203.5
· R&D Support under Former Funding Framework ^h	9	1502.4	1610.5	1675.4	1737.2	1775.9	-	-	-	-	-
· Other R&D Support	10	2.9	2.7	2.5	2.5	15.7	614.0	598.9	588.0	594.8	589.1
SUB-TOTAL		1505.3	1613.2	1677.9	1739.7	1791.6	1804.3	1877.2	1972.9	2179.9	2275.0
Multisector											
· NH&MRC and Other Health	11	163.9	167.0	174.5	194.6	186.5	309.7	248.3	273.7	392.0	428.3
· Cooperative Research Centres	12	132.7	143.1	146.9	142.3	137.5	139.8	146.5	148.6	202.0	193.0
· Rural	13	126.5	126.0	140.5	150.2	138.2	141.3	197.5	204.3	210.7	210.4
· Energy and Environment	14	19.6	11.4	25.2	8.9	11.8	20.9	33.6	29.4	36.1	43.4
· Other Science Support	15	14.3	24.7	28.7	12.1	7.0	6.7	12.5	38.4	49.3	57.5
SUB-TOTAL		457.0	472.2	515.8	508.1	481.0	618.4	638.4	694.4	890.2	932.6
TOTAL COMMONWEALTH SUPPORT		3838.1	3717.4	3689.4	3786.0	4029.7	4321.2	4565.6	4662.8	5214.2	5342.0
% Total Commonwealth Expenditureⁱ		2.93%	2.55%	2.48%	2.58%	2.61%	2.76%	2.74%	2.76%	2.92%	2.85%

Notes

- a. The financial data in this table are an aggregate of the expenditure data sourced from tables 2, 3 & 4. The tables conform as closely as possible with the standards for reporting government appropriations and outlays on research and development (R&D) set out in the OECD Frascati Manual (2002).
- 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. Intramural expenditure is Commonwealth Government financed R&D performed in Commonwealth Government establishments.
- e. Extramural expenditure refers to Commonwealth Government financed R&D performed in the business enterprise, higher education and private non-profit or State government sectors. Under this heading, 'Multisector' includes programmes that may be accessed by several sectors, including Commonwealth Government agencies.
- 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 2003 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.
- h. This refers to funding arrangements for the higher education sector prior to the implementation of the Knowledge and Innovation Reforms announced in 1999.
- i. For the 1995-1996 FY, government expenses were still expressed on a cash accounting basis. Therefore, the ratio is not comparable with subsequent years where government expenses are recorded on an accrual basis.

TABLE 2. MAJOR COMMONWEALTH RESEARCH AGENCIES - BUDGET EXPENDITURES^a

	<i>post.</i> <i>ref</i> ^c	← Cash Outlays (\$m) ^b →				← Accrual Expenses (\$m) ^b →				<i>est. actual</i> 2003-04	<i>budget est.</i> 2004-05
		1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03		
AGRICULTURE, FISHERIES AND FORESTRY											
Australian Animal Health Laboratory	3	5.8	6.0	6.1	6.1	6.1	5.8	5.8	6.1	6.2	6.9
DEFENCE											
Defence Science and Technology Organisation ^d	1	267.6	254.9	212.1	221.3	237.6	261.0	275.0	283.4	293.9	286.7
EDUCATION, SCIENCE & TRAINING											
CSIRO	2	417.6	444.5	466.8	475.4	500.0	496.7	509.6	532.1	568.6	576.5
Aust Nuclear Science & Technology Organisation ^{e,f}	3	65.6	63.7	72.7	74.5	80.0	140.8	158.7	173.2	205.7	153.3
Australian Institute of Marine Science	3	16.6	16.4	16.4	18.5	21.1	21.4	22.4	24.3	22.1	22.5
Anglo-Australian Telescope	3	3.2	3.3	3.5	3.6	3.7	3.7	3.8	3.9	4.0	4.1
ENVIRONMENT & HERITAGE											
Antarctic Division	3	63.1	59.4	61.9	62.7	80.1	83.8	92.0	84.6	85.5	87.1
Bureau of Meteorology Research Centre (BMRC) ^e	3	4.0	4.4	4.5	4.4	10.3	10.7	9.4	9.7	10.1	9.1
Environmental Research Institute of the Supervising Scientist	3	6.0	5.4	4.3	4.2	6.5	7.4	8.4	8.0	7.1	8.0
Great Barrier Reef Marine Park Authority	3	3.9	4.1	4.1	3.4	4.2	3.8	4.1	4.1	3.9	6.5
INDUSTRY, TOURISM & RESOURCES											
Geoscience Australia ^g	3	68.0	117.1	82.9	66.8	60.5	60.9	81.3	88.8	96.9	101.1
TOTAL^h		921.4	979.2	935.3	940.9	1010.1	1096.0	1170.5	1218.1	1304.1	1261.8

Notes:

- a. The financial data have been supplied and confirmed by the departments and agencies responsible for administering the programmes listed in the table.
- b. Prior to the 1998-99 financial year, budget expenditures were reported on a cash accounting basis. Expenditures from 1999-2000 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. At the commencement of FY 1997-98, the management of overheads and administrative support within the Defence Department was centralised. The reduction in DSTO's outcomes from STET represents the transfer of resources associated with these functions to the Corporate Support and Infrastructure Group. DSTO outcomes since 1997-98 are for direct expenses on the research program and exclude costs associated with overheads and administrative support.
- 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 reduction in budget expenditures for 2004-05 when compared to 2003-04 for ANSTO is a timing issue relating to two special purpose projects: disposition of spent fuel and replacement research reactor.
- 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.

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.</i> <i>ref</i> ^c	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	<i>est. actual</i> 2003-04	<i>budget est.</i> 2004-05
AGRICULTURE, FISHERIES & FORESTRY ^d											
Wool Research	13	11.7	10.4	7.2	9.6	9.2	9.0	22.5	16.2	16.2	16.2
Meat Research	13	22.6	21.1	22.8	21.4	20.2	20.2	23.5	26.3	28.5	28.5
Fishing Industry Research	13	10.4	11.3	11.2	12.1	13.1	12.8	15.8	25.5	27.9	26.3
Grains	13	21.3	29.1	33.8	33.6	31.9	34.0	40.8	39.2	39.2	39.2
Horticulture Research	13	11.4	12.0	11.4	15.3	15.8	15.8	29.5	30.2	30.0	30.0
Land & Water Research	13	10.6	9.8	10.8	11.0	11.0	11.3	11.6	11.9	12.2	12.5
Rural Industries R&D Corporation	13	10.5	5.6	10.8	11.0	3.8	3.7	17.2	14.9	14.8	15.0
Other rural research	13	28.0	26.7	32.5	36.2	33.2	34.5	36.6	40.1	41.9	42.7
New Industries Development Programme	6	-	-	-	-	1.0	1.0	3.8	4.0	3.2	3.5
Food innovation grants	6	-	-	-	-	-	-	-	1.9	8.9	10.7
Centres of Excellence	6	-	-	-	-	-	-	-	0.9	3.0	3.5
COMMUNICATIONS, INFORMATION TECHNOLOGY & the ARTS											
ICT Centre of Excellence	6	-	-	-	-	-	-	-	10.3	11.3	17.2
Building Information Technology Strengths – Incubators	6	-	-	-	-	19.5	6.0	22.7	16.1	11.6	12.6
Building Information Technology Strengths – Intelligent Island (Tas.)	6	-	-	-	-	20.0	-	20.0	-	-	-
Building Information Technology Strengths – Advanced Networks Programme	6	-	-	-	-	-	-	21.9	8.8	6.6	8.0
Information Technology Online (ITOL)	6	-	-	-	-	1.9	1.4	2.0	2.3	2.7	2.5
Software-Engineering Australia	6	-	-	-	1.2	5.2	5.4	3.3	2.0	1.1	-
Test-It	6	-	-	-	-	0.5	1.5	0.7	0.4	-	-
Société Internationale de Télécommunications Aéronautiques	6	-	-	-	1.2	2.2	1.7	2.3	1.7	1.0	-
ENVIRONMENT & HERITAGE											
Aust. Biological Resources Study	14	1.8	1.3	1.0	1.4	2.0	1.6	4.5	4.0	3.4	3.4
Greenhouse Research (NGRP)	14	6.0	3.5	3.6	3.1	4.0	3.8	3.9	3.9	4.1	-
Renewable Energy Comm. Programme	14	-	-	-	-	-	6.8	8.9	9.2	9.2	4.8
Renewable Energy Equity Fund	14	-	-	-	2.0	2.7	2.8	2.5	1.9	3.8	3.3
Energy research	14	11.8	6.6	20.6	1.5	-	-	-	-	-	-
National Carbon Accounting System	14	-	-	-	0.9	3.1	5.9	4.8	3.2	3.6	-
Greenhouse Gas Abatement Programme	14	-	-	-	-	-	-	9.0	7.2	12.0	17.9
Climate Change Science Programme	14	-	-	-	-	-	-	-	-	-	6.6
Emissions Measurement and Analysis	14	-	-	-	-	-	-	-	-	-	4.2
Low Emissions Technology and Abatement	14	-	-	-	-	-	-	-	-	-	3.2
EDUCATION, SCIENCE & TRAINING											
Cooperative Research Centre Grants	12	132.7	143.1	146.9	142.3	137.5	139.8	146.5	148.6	202.0	193.0
Major National Research Facilities	15	6.4	17.0	20.9	10.7	4.8	4.9	4.5	25.0	38.5	42.3
National Collaborative Research Infrastructure Strategy	15	-	-	-	-	-	-	-	-	-	1.9
Innovation Access Programme ^e – international S&T	15	-	-	-	-	-	-	4.1	7.6	7.6	9.3
Research Evaluation and Academies	10	2.1	2.2	2.0	2.5	2.3	2.5	2.4	2.4	2.5	2.1
Targeted Institutional Links Programme	10	0.8	0.5	0.5	-	-	-	-	-	-	-
HEALTH & AGED CARE											
NH&MRC Research Grants ^f	11	141.3	152.4	158.9	176.0	185.7	308.9	247.5	272.7	359.9	426.4
Capital Works for Medical Institutes	11	9.6	2.0	2.7	5.7	-	-	-	-	-	-
Enhancing Australia's Public Health Diagnostic Laboratory Capacity	11	-	-	-	-	-	-	-	-	-	1.3
Health Sciences - Australian Longitudinal Study on Women's Health ^g	11	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.9	0.6
AIDS Research	11	12.1	11.7	12.0	12.0	-	-	-	-	-	-
Medical Research Infrastructure Projects	11	-	-	-	-	-	-	-	-	31.2	-

TABLE 3 - CONTINUED.

	<i>post ref</i> <i>c</i>	← <i>Cash Outlays (\$m)^b</i> →				← <i>Accrual Expenses (\$m)^b</i> →					
		1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	<i>est actual</i> 2003-04	<i>budget est</i> 2004-05
INDUSTRY, TOURISM & RESOURCES											
Industry Innovation Programme (Includes R&D Start Grants)	5	-	-	-	-	154.9	155.3	207.0	115.5	134.2	156.9
R&D Start Loans Programme	6	-	-	-	-	15.9	12.8	16.1	7.8	12.2	9.5
Commercialising Emerging Technologies (COMET)	6	-	-	-	-	2.1	8.9	12.2	11.4	8.7	8.6
Commercial Ready Programme	6	-	-	-	-	-	-	-	-	-	3.4
Industry Innovation Programme	5	50.4	62.4	102.7	130.7	-	-	-	-	-	-
Innovation Investment Fund ^b	6	-	-	4.0	21.3	35.2	25.3	27.3	24.7	18.7	22.1
Pre-Seed Fund	6	-	-	-	-	-	-	0.0	4.2	5.9	15.0
Biotechnology Centre of Excellence	6	-	-	-	-	-	-	0.8	3.6	4.6	5.8
Biotechnology Innovation Fund	6	-	-	-	-	-	-	4.0	11.9	13.6	6.2
Innovation Access Programme – Industry (IAccP) ^c	6	-	-	-	-	-	-	-	5.0	11.7	10.3
Technology Diffusion Programme	6	-	-	-	12.8	15.9	14.2	12.9	4.2	-	-
Technology Support Centres	6	12.2	7.2	13.7	-	-	-	-	-	-	-
International S&T Programme	15	5.6	5.6	5.6	-	-	-	-	-	-	-
National Space Programme	6	2.7	1.7	0.5	1.5	-	-	-	-	-	-
Shipbuilding Innovation Scheme	6	-	-	-	-	5.5	7.8	6.4	8.7	8.6	7.0
Assistance under the Bounty (Computers) Act 1984 ⁱ	6	64.1	56.5	19.5	58.6	-	-	-	-	-	-
Pharmaceutical Industry Investment Programme ^j	6	-	-	-	-	7.2	11.1	13.4	16.4	26.0	-
Pharmaceutical Partnerships Programme ^k	6	-	-	-	-	-	-	-	-	-	14.6
Automotive Competitiveness and Investment Scheme	6	-	-	-	-	-	43.1	142.2	132.7	146.5	133.2
TRANSPORT & REGIONAL SERVICES											
Payments to Austroads/ARRB Transport Research Ltd.	15	2.3	2.1	2.2	1.4	2.2	1.8	1.8	1.8	1.9	1.9
TOTAL		589.3	602.7	658.7	737.9	770.3	916.4	1157.8	1087.3	1331.5	1383.2

Notes:

a. Sources: Financial data have been supplied and 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.

b. Prior to the 1998-1999 financial year, budget expenditures were reported on a cash accounting basis. Expenditures from the 1999-2000 financial year onwards are reported in accordance with the principles of accrual accounting.

c. Posting references assist in reconciliation with the aggregate outlays presented in Table 1.

d. The expenditure figures for wool, meat, other rural research, fish, horticulture and grains exclude that component of Commonwealth outlays funded from industry levies. Industry Contributions - Rural Research Levies (estimated proportion of levies attributable to research purposes - \$m) are presented in the table below:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	
Wool	10.94	12.79	13.09	10.53	11.97	11.81	56.31	62.60	40.40	42.00	
Meat	22.40	23.13	24.50	12.31	21.33	23.52	15.93	19.40	20.50	20.50	
Grains											
Wheat	33.65	35.17	32.02	31.64	29.05	27.37	37.14	39.40	41.40	41.40	
Other Grains	17.18	19.48	20.39	17.97	17.75	21.13	24.79	25.60	28.20	28.20	
Special Rural	1.57	1.39	1.87	1.80	-	-	-	-	-	-	
Fish	2.46	2.52	2.88	3.30	3.61	3.57	4.40	4.97	6.08	5.84	
Horticulture	4.28	8.04	9.06	8.86	9.83	10.77	10.44	22.40	25.30	26.10	
Other Rural Research											
Chicken Meat	0.71	0.79	0.82	0.79	0.84	0.85	0.90	1.10	1.10	1.10	
Cotton	2.90	4.30	5.48	5.57	5.36	5.44	5.00	7.20	3.40	4.40	
Dairying	5.75	8.36	10.94	11.86	14.25	15.71	11.52	12.90	16.30	16.30	
Dried Fruit ^l	0.39	0.79	0.41	0.70	0.70	0.71	0.45	0.57	-	-	
Grape & Wine	1.91	2.62	2.37	4.60	5.63	5.52	7.35	7.80	7.70	7.70	
Honey	0.15	0.20	0.16	0.18	0.19	0.19	0.20	0.19	0.18	0.18	
Pig Industry	3.57	3.42	3.46	3.47	3.65	3.92	11.79	13.30	13.30	13.30	
Egg Industry	0.68	0.76	0.77	0.71	0.66	0.68	0.71	0.52	5.30	3.90	
Sugar	5.46	5.99	6.17	6.04	5.99	6.17	4.28	5.30	5.50	5.30	
Tobacco ^m	0.49	0.57	0.83	0.63	0.76	0.68	0.63	-	-	-	
Forestry	1.00	1.72	2.53	2.56	3.14	3.17	3.03	3.00	3.80	3.80	
Total	115.49	132.04	137.75	123.52	134.71	141.21	194.87	226.25	218.46	220.02	

e. 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).

f. 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.

g. The 1993-94 budget initiative for the Women's Health Program provided initial funding for the study from 1995 to 1998. From 1998 the study was funded from within existing resources of the health portfolio for a further 5 years until 2003. From 2004-05, funding for the study will be provided by a new measure called Australian Longitudinal Study on Women's Health.

h. Appropriated via administered capital.

i. 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.

j. Funding allocated to supporting research and development activities under this programme. It concludes on 30 June 2004.

k. This programme begins 1 July 2004

l. This levy is now combined with the Horticulture levy.

m. This levy has ceased.

TABLE 4. ESTIMATED COSTS OF PROGRAMMES AND INCENTIVES PROVIDING SUPPORT FOR SCIENCE AND INNOVATION OUTSIDE THE BUDGET ^a

	<i>post.</i> <i>ref</i> ^c	← Cash Outlays (\$m) ^b →				← Accrual Expenses (\$m) ^b →					
		1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	<i>est. actual</i> 2003-04	<i>budget est.</i> 2004-05
COMMUNICATION, INFORMATION TECHNOLOGY & the ARTS											
Support from the Federation Fund - Commonwealth Technology Park	6	-	-	-	-	3.0	8.0	3.5	8.0	-	-
EDUCATION, SCIENCE & TRAINING											
<i>Former Funding Framework</i>											
Science Lectureships	10	-	-	-	-	3.9	11.0	-	-	-	-
<i>Funding for research and research training provided under HEFA (1988)</i>											
Special research assistance ^d	9	346.4	396.5	420.4	451.2	442.9	-	-	-	-	-
Research Quantum (RQ) ^e	9	263.0	276.0	219.0	219.0	220.0	-	-	-	-	-
Research Training Component (RTC) ^f	9	420.0	476.0	482.0	468.4	487.0	-	-	-	-	-
Funding for ANU Institute of Advanced Studies ^f	9	150.0	152.0	151.0	151.0	151.0	-	-	-	-	-
Estimated research and research training component sourced in the operating grant ^g	9	323.0	310.0	403.0	447.6	475.0	-	-	-	-	-
<i>Current Funding Framework</i>											
<i>Performance based block funding for research and research training under HEFA (1988)</i>											
Research Training Scheme	8	-	-	-	-	-	504.5	515.6	528.0	541.9	551.8
Institutional Grants Scheme	8	-	-	-	-	-	257.2	262.9	286.4	285.2	290.4
Research Infrastructure Block Grants	8	-	-	-	-	-	81.5	111.2	136.7	160.6	184.1
Systemic Infrastructure Initiative	8	-	-	-	-	-	-	23.6	28.4	70.6	67.8
Australian Postgraduate Awards	8	-	-	-	-	-	83.1	83.2	87.1	89.5	88.2
International Postgraduate Research	8	-	-	-	-	-	16.2	14.0	16.7	17.8	18.1
Regional Protection Scheme	8	-	-	-	-	-	-	2.0	3.2	5.8	3.0
Estimated research and research training component sourced in the operating grant ^g	10	-	-	-	-	-	591.0	589.0	585.0	585.0	587.0
Australian Research Council ^h	7	-	-	-	-	-	247.8	265.8	298.3	413.9	482.4
Mount Stromlo Observatory Reconstruction	10	-	-	-	-	-	-	-	-	7.3	-
<i>Support from the Federation Fund</i>											
National Marine Science Centre	10	-	-	-	-	6.0	1.5	4.5	0.1	0.0	0.0
Institute of Molecular Bioscience	10	-	-	-	-	3.5	8.0	3.0	0.5	0.0	0.0
ENVIRONMENT & HERITAGE											
National Oceans Office	15	-	-	-	-	-	-	2.1	3.9	1.3	2.1
INDUSTRY, TOURISM & RESOURCES											
R&D Tax Concession ⁱ	4	800.0	500.0	390.0	340.0	420.0	440.0	230.0	250.0	300.0	330.0
Premium Tax Concession for additional R&D ^{i,j}	4	-	-	-	-	-	20.0	65.0	75.0	70.0	80.0
R&D refundable tax off-set ^{i,k}	4	-	-	-	-	-	-	50.0	35.0	15.0	-5.0
Tax deduction for patents designs and copyright ⁱ	4	25.0	25.0	30.0	30.0	30.0	30.0	-	-	-	-
Pooled Development Funds ^{i,l}	4	-	-	-	-	7.0	9.0	12.0	15.0	15.0	17.0
TOTAL		2327.4	2135.5	2095.4	2107.2	2249.3	2308.8	2237.4	2357.4	2578.6	2697.0

Notes:

- Financial data have been provided and 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 the 1998-1999 financial year, budget outlays were reported on a cash accounting basis. Expenses from 1999-2000 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).

- e. The data have been sourced from the Science and Innovation Budget Statement (1995-96 to 1999-2000). The Research Quantum (RQ) is an amount within the operating grant which was allocated to institutions on the basis of research performance. The Research Training Component (RTC) is an estimate of the operating grant used for research training derived by using the actual higher degree research student load and weighted in accordance with a formula based on the Relative Funding Model.
- f. This item refers to 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.
- g. The Estimated Research & Research Training Component Sourced in the Operating Grant represents an estimate of operating grant expended on research. The estimate is based on the Australian Bureau of Statistics (ABS) survey of research expenditure of universities by source of funds. It represents Commonwealth funding for teaching and learning not specifically provided for research. The estimate from 2000-2001 onwards include the funds provided to the IAS through the ANU's operating grant.
- h. The ARC was established as an independent statutory authority on 1 July 2001 under the Australian Research Council Act (2001). The funding identified here represents administered funding only. Funding for 2004-05 includes \$1 million provided for Research Support for Counter-Terrorism.
- i. The data series is based on estimates of revenue forgone as published in the Taxation Expenditures Statement 2003 (TES) and earlier issues. The TES estimates, particularly in the later years, are revised each year as more data come to hand. Thus the series here will be revised in the future. The data relates to the financial year when companies undertake the activity for which they subsequently claim a concession of deduction, i.e. 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. Thus, the data series presented in this table are 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). This will 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 \$20 million for 2000-01). This adjustment is being made this year from revised TES estimates.
- 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. Companies that claim the refundable R&D Tax Offset are unable to claim deductions for the R&D expenditures concerned. This is because the refundable R&D Tax Offset has already provided these companies with a benefit equivalent to the value of these deductions. The absence of these deductions constitutes a negative tax expenditure and explains why the estimates become negative in 2004-05 (TES, 2003).
- 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 ACCORDING TO SOCIO-ECONOMIC OBJECTIVES^a

<i>Socio-Economic Objectives^c</i>	<i>Cash Outlays (\$m)^b</i>		←		<i>Accrual Expenses (\$m)^b</i>		→			
	<i>1997-98</i>	<i>1998-99</i>	<i>1999-00</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>%Total</i>	<i>%GDP</i>
									<i>est. actual</i>	<i>budget est.</i>
Exploration and exploitation of the earth	205.7	206.3	227.2	212.9	230.4	235.3	258.6	245.1	4.6	0.03
Infrastructure and general planning of land use ^d	43.4	41.2	46.1	31.5	33.9	37.6	42.3	41.7	0.8	0.00
Control and care of the environment ^e	40.2	39.2	43.6	74.3	81.7	79.5	103.1	110.6	2.1	0.01
Protection and improvement of human health	228.1	246.4	241.4	366.6	300.8	326.6	455.8	489.1	9.2	0.06
Production, distribution and rational utilisation of energy	101.7	82.9	89.0	96.9	96.3	99.1	105.8	99.7	1.9	0.01
Agricultural production and technology	275.1	283.5	279.1	290.1	358.7	376.0	413.4	406.9	7.6	0.05
Industrial production and technology	817.8	858.0	1011.1	1148.8	1272.8	1181.4	1263.5	1277.7	23.9	0.15
Social structures and relationships	24.4	24.3	26.3	30.6	31.7	33.0	42.7	42.5	0.8	0.00
Exploration and exploitation of space	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.0	0.0	0.00
Research financed from general university funds	403.0	447.6	475.0	591.0	589.0	585.0	585.0	587.0	11.0	0.07
Non-oriented research	1322.5	1329.1	1345.2	1239.6	1319.4	1447.9	1662.4	1769.2	33.1	0.21
Other civil research	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
Defence	227.5	227.5	245.7	238.7	251.0	261.3	280.0	271.5	5.1	0.03
TOTAL^f	3689	3786	4030	4321	4566	4663	5214	5342	100	0.62

Notes

a. Table 5 represents the aggregate data from Table 2,3 &4 rearranged by broad socio-economic objective (SEO) categories in accordance with general OECD practice for reporting 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 the SEO categories may vary from that achieved through the R&D surveys of the Australian Bureau of Statistics (ABS).

b. The reporting of Australian Government financial data according to the principles of accrual accounting was introduced in the 2000-2001 financial year.

c. The socio-economic objective (SEO) nomenclature is in accordance with the Nomenclature for the Analysis and Comparison of Scientific Programmes and Budgets (NABS) 1998, and reflects the recommendations of the Frascati Manual (6th edition, 2002, OECD).

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. The totals include the tax concession items.