Requested background information provided in support of Dr Arthur's (DEST) appearance before the Economics, Finance and Public Administration Standing Committee on Friday, 2 March

(re the Inquiry into Australia's manufactured export and import competing base now and beyond the resources boom)

Hansard transcript page references: EFPA-34, paragraphs three and eight

Relevant Text:

Dr Arthur—Again, we do not have complete data on that, although we do have some data. I do not think that anyone would be so rash as to claim that the current level is optimal. I think that there are always areas for improvement. But looking at figures published by the OECD— this is an indicator which has some attraction—on the amount of money which business puts into research and development, Australian investments in government research—investments in CSIRO and other forms of government labs—we have a 5.6 per cent investment by business compared with an OECD average of 2.9 per cent. On the other hand, over all, business investment in research and development in universities over the 10-year period ending in 2004-05, which is the most recent period we have data for, has increased by about 180 per cent. That still leaves us in a position where we are below the OECD average.

……..

CHAIR—Thank you very much. I wonder whether we could have the figures you quoted in terms of the investment. That would be useful.

……

As above, Dr Arthur made reference to figures published by the OECD in regards to business R&D investment. The source for Dr Arthur's first comment was the Main Science and Technology Indicators (MSTI): 2006/2 edition[1]. DEST has an electronic form of this publication, but we can confirm that the table that most directly support Dr Evan's statements before the committee is Table.55, which appears on p.45 of the publication (see overleaf).

[1] Main Science and Technology Indicators (MSTI): 2006/2 edition. OECD.2006.

55. Percentage of GOVERD financed by Industry

Pourcentage de la DIRDET financée par les entreprises

	1995	2001	2002	2003	2004	2005	2006	
Australia	..	..	5.2 [v]	..	5.6 [v]	..	..	Australie
Austria	..	..	6.0	..	6.6	..	..	Autriche
Belgium	5.7	12.4	9.5	8.9	..	..	..	Belgique
Canada	1.8	3.9	3.7	3.4	3.5	3.8 [p]	3.7 [p]	Canada
Czech Republic	11.3	6.6	9.6	7.8	9.4	9.7	..	République tchèque
Denmark	3.5	7.4	5.5 [a]	1.5	1.8	..	..	Danemark
Finland	11.9	15.2	14.2	13.6	13.1	..	..	Finlande
France	5.4	6.3	6.7	5.7	6.4	..	..	France
Germany	3.4 [c]	2.3 [c]	2.5 [c]	2.4 [c]	2.9 [c]	..	..	Allemagne
Greece	2.3	1.9	..	1.7	..	..	..	Grèce
Hungary	15.1 [d,v]	13.1 [d,v]	6.4 [d,v]	5.7 [d,v]	7.2 [d,v]	10.3 [d,v]	..	Hongrie
Iceland	7.2	5.0	..	8.6	..	..	..	Islande
Ireland	21.8	10.3	6.6	0.2	3.6	4.6 [c,p]	..	Irlande
Italy	1.8	3.5	3.4	1.2	2.9	..	..	Italie
Japan	0.7	0.8	2.8	1.8	0.9	..	..	Japon
Korea	16.5 [g]	8.1 [g]	4.6 [g]	5.5 [g]	3.4 [g]	4.3 [g]	..	Corée
Luxembourg	..	..	..	8.7	..	..	..	Luxembourg
Mexico	3.3	5.8	0.5	0.6	..	..	..	Mexique
Netherlands	16.7	22.4	18.7	16.2 [a]	..	..	..	Pays-Bas
New Zealand	17.7	21.2 [c]	..	17.5	..	..	..	Nouvelle-Zélande
Norway	10.0	10.6	..	10.1	..	..	..	Norvège
Poland	22.6 [a]	5.5	11.6	5.7	5.5	6.0	..	Pologne
Portugal	0.2	3.5	4.7 [c]	6.2	..	..	..	Portugal
Slovak Republic	32.6 [d]	14.0 [d]	14.0 [d]	11.0 [d]	10.5 [d]	8.5 [d]	..	République slovaque
Spain	5.3	7.1	4.1	7.7	7.3	..	..	Espagne
Sweden	2.9 [h]	1.6 [h]	..	1.7 [b]	..	..	..	Suède
Switzerland	..	..	..	..	..	..	..	Suisse
Turkey	3.0	1.0	1.3	3.9	4.1	..	..	Turquie
United Kingdom	6.9	12.5 [a]	10.4	8.9	9.3	..	..	Royaume-Uni
United States	0.0 [h]	0.0 [h]	0.0 [b]	0.0 [b,p]	0.0 [b,p]	..	..	États-Unis
EU-25	6.1 [b]	6.4 [b]	6.1 [b]	5.2 [b]	5.9 [b]	..	..	UE-25
Total OECD	3.2 [a,b]	3.1 [b]	3.0 [b]	2.5 [b]	2.5 [b,p]	..	..	Total OCDE

Source : OECD, Main Science and Technology Indicators, December 2006.

Source : OCDE, Principaux indicateurs de la science et de la technologie, décembre 2006.

Dr Arthur's second reference – to the 180% increase in business investment in research and development (R&D) in universities, represents an internal DEST calculation. If the Committee wishes, the background to the calculation can be provided.

It is envisaged that a table indicating this figure in the context of business expenditure on R&D in general, will appear in a forthcoming DEST publication, once ministerial approval has been secured for its publication.