

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

Outcome: 3
Output Group: 3.1 – Research infrastructure
3.2 – Assistance for collaboration and innovation

DEST Question No. E140_06

Senator Carr provided in writing.

Question:

According to OECD Fact Book Australia has now slipped to 18 in the OECD rankings on Business Expenditure on Research and Development. Please provide explanations for why this has occurred.

Answer:

Business Expenditure on Research and Development

- There appears to be no information on Business Expenditure on Research and Development (BERD) in the OECD Fact Book 2005.
- According to the OECD Main Science and Technology Indicators database 2005/01 released on 03 June 2005, Australia now ranks 18th out of OECD countries in terms of BERD relative to GDP, which is the same as that in 1995.
- Ratios of BERD to GDP and OECD rankings are influenced by a wide range of domestic and international influences including economic growth and business conditions.

ATTACHMENT:

Table: BERD as a % of GDP – by OECD country, 1995, 1998 to 2002

Rank	1995	1998	1999	2000	2001	2002
1	Sweden 2.49	Sweden (1999) 2.74	Sweden 2.74	Sweden (2001) 3.31	Sweden 3.31	Sweden (2001) 3.31
2	Japan 1.89	Japan 2.10	Finland 2.20	Finland 2.41	Finland 2.42	Finland 2.41
3	Switzerland (1996) 1.89	United States 1.95	Japan 2.10	Japan 2.12	Japan 2.26	Japan 2.32
4	United States 1.80	Finland 1.94	United States 1.98	United States 2.04	United States 1.99	Korea 1.90
5	Korea 1.75	Switzerland (2000) 1.90	Switzerland (2000) 1.90	Switzerland 1.90	Korea 1.97	Switzerland (2000) 1.90
6	Luxembourg (2000) 1.58	Korea 1.65	Germany 1.70	Korea 1.77	Switzerland (2000) 1.90	United States 1.87
7	Germany 1.49	Luxembourg (2000) 1.58	Korea 1.61	Germany 1.75	Iceland 1.80	Iceland 1.77
8	Finland 1.44	Germany 1.57	Luxembourg (2000) 1.58	Denmark (2001) 1.65	Germany 1.75	Denmark 1.75
9	France 1.41	Belgium 1.35	Austria (2002) 1.42	Luxembourg 1.58	Denmark 1.65	Germany 1.75
10	United Kingdom 1.27	France 1.35	Denmark 1.42	Iceland 1.55	Belgium 1.60	Belgium 1.63
11	Belgium 1.22	Denmark 1.33	Belgium 1.40	Belgium 1.48	Luxembourg (2000) 1.58	Luxembourg (2000) 1.58
12	Austria (1998) 1.12	United Kingdom 1.18	France 1.38	Austria (2002) 1.42	Austria (2002) 1.42	France 1.43
13	Denmark 1.05	Austria 1.12	United Kingdom 1.25	France 1.36	France 1.41	Austria 1.42
14	Netherlands 1.04	Canada 1.08	Netherlands 1.14	United Kingdom 1.21	Canada 1.27	United Kingdom 1.26
15	Canada 1.00	Netherlands 1.05	Iceland 1.11	Canada 1.16	United Kingdom 1.24	Canada 1.09
16	Norway 0.96	Norway (1999) 0.92	Canada 1.08	Netherlands 1.11	Netherlands 1.10	Netherlands 1.02
17	Ireland 0.89	Ireland 0.90	Norway 0.92	Norway (2001) 0.96	Norway 0.96	Norway 0.96
18	AUSTRALIA 0.87	Iceland 0.76	Ireland 0.88	Ireland 0.82	AUSTRALIA 0.81	AUSTRALIA 0.79
19	Czech Republic 0.62	Czech Republic 0.75	Czech Republic 0.73	AUSTRALIA 0.75	Ireland 0.78	Ireland 0.77
20	Italy 0.53	AUSTRALIA 0.69	AUSTRALIA 0.66	Czech Republic 0.74	Czech Republic 0.74	Czech Republic 0.75
21	Iceland 0.50	Italy 0.52	Italy 0.51	Italy 0.53	Italy 0.55	Italy 0.56
22	Slovak Republic 0.50	Slovak Republic 0.52	Spain 0.46	Spain 0.50	Spain 0.50	Spain 0.56
23	Spain 0.39	Spain 0.47	Slovak Republic 0.41	Slovak Republic 0.43	Slovak Republic 0.43	New Zealand (2001) 0.42
24	Hungary 0.32	New Zealand (1999) 0.30	New Zealand 0.30	New Zealand (2001) 0.42	New Zealand 0.42	Slovak Republic 0.37
25	New Zealand 0.26	Poland 0.28	Poland 0.29	Hungary 0.35	Hungary 0.38	Hungary 0.36
26	Poland 0.25	Hungary 0.26	Hungary 0.28	Poland 0.24	Portugal 0.27	Portugal 0.30
27	Greece 0.14	Greece (1999) 0.19	Turkey 0.24	Portugal 0.22	Turkey 0.24	Greece 0.20
28	Portugal 0.12	Portugal 0.16	Greece 0.19	Turkey 0.21	Poland 0.23	Turkey 0.19
29	Turkey 0.09	Turkey 0.16	Portugal 0.17	Greece 0.16	Greece 0.21	Mexico (2001) 0.12
30	Mexico 0.06	Mexico 0.11	Mexico 0.11	Mexico 0.11	Mexico 0.12	Poland 0.12
	Total OECD 1.40	Total OECD 1.48	Total OECD 1.52	Total OECD 1.56	Total OECD 1.57	Total OECD 1.53
	EU-15 1.12	EU-15 1.14	EU-15 1.19	EU-15 1.22	EU-15 1.24	EU-15 1.25

Source: OECD, Main Science and Technology Indicators database, 2005/01.

Note: 2002 is the latest year for which comparable data are available.