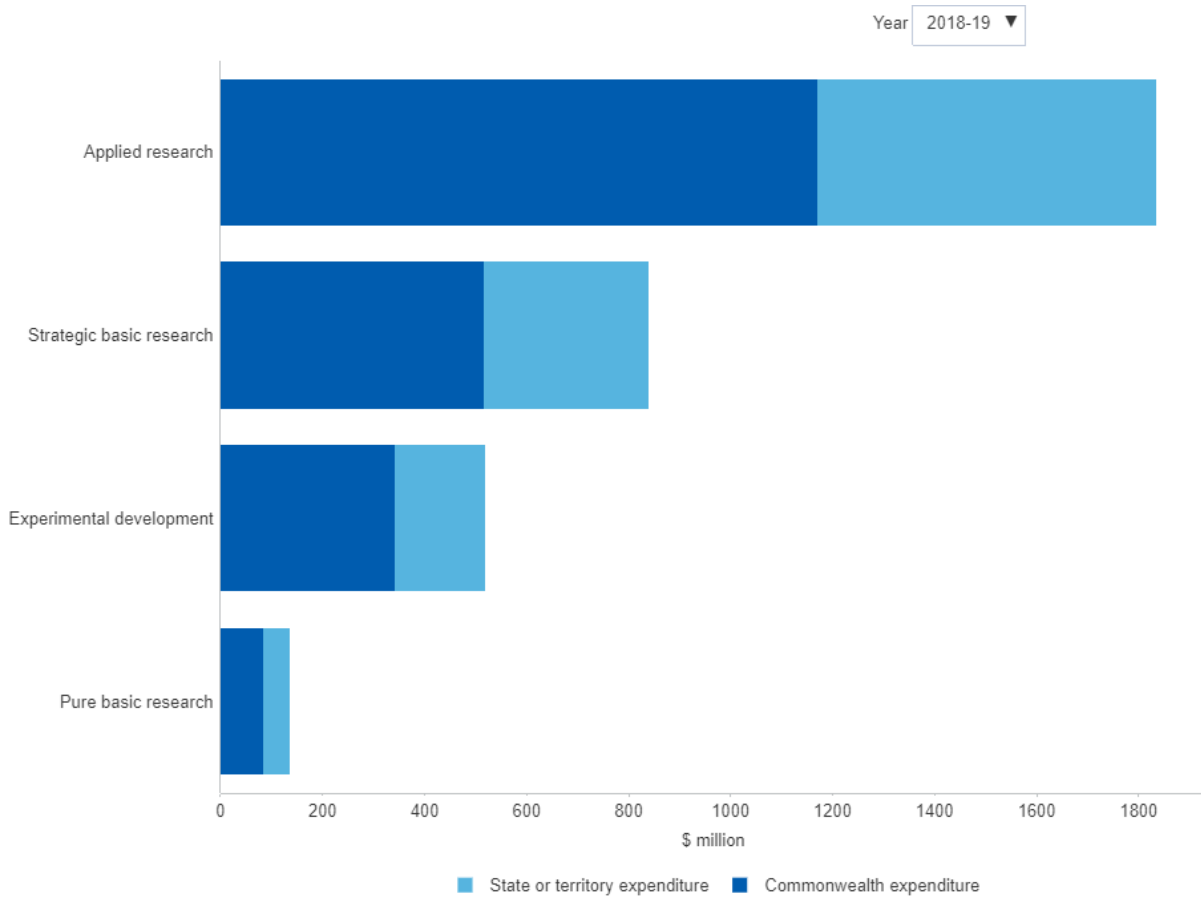


3.2.1 Government expenditure on R&D (GovERD) by type of activity

In addition to providing support for business R&D, governments are major R&D performers through public research agencies, such as the CSIRO. Australian evidence points to significant contributions to productivity from public sector R&D spending.¹ Australia’s GovERD comprises a mix of research activities including *Applied research*, *Strategic basic research*, *Experimental development* and *Pure basic research*. During the 12 years to 2018–19, the majority of GovERD by the Commonwealth was directed towards *Applied research* (\$1.17 billion or 55.4 per cent of total in 2018–19). *Pure basic research* has historically received a relatively modest fraction of total GovERD (around \$135 million or 4.1 per cent of total in 2018–19).²

Figure: Government expenditure on R&D (GovERD), by type of activity, \$ million, latest 2018–19



¹ Elnasri A and Fox K J (2014) *The Contribution of Research and Innovation to Productivity and Economic Growth*, UNSW Australian School of Business research paper No. 2014–08 (https://www.business.unsw.edu.au/About-Site/Schools-Site/Economics-Site/Documents/The_Contribution_of_Research_and_Innovation_to_Productivity_Kevin_Fox.pdf)

² ABS, *Research and Experimental Development, Government and Private Non-Profit Organisations, Australia*, Cat. No. 8109.0 (<https://www.abs.gov.au/statistics/industry/technology-and-innovation/research-and-experimental-development-government-and-private-non-profit-organisations-australia/latest-release>)