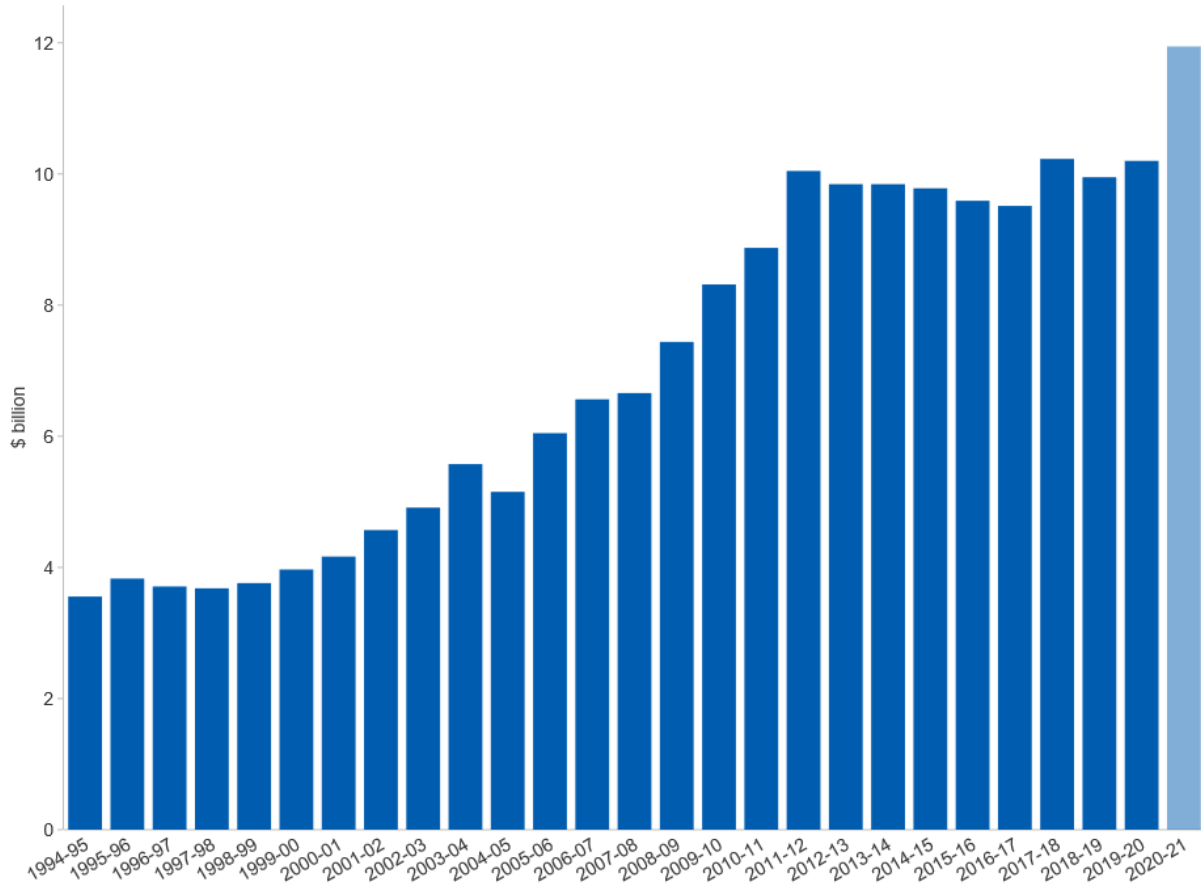


### 3.2.4 Australian Government investment in R&D

Government investment in R&D aims to cover the difference between the economic value of R&D to society and the private returns received by inventors and businesses that incur the costs and risks of pursuing R&D. Governments also support business R&D by offering tax relief for R&D-related activities and by raising awareness of the technological opportunities available to reduce both the cost and uncertainty of research and innovation.<sup>1</sup> While trending relatively flat in recent years, the latest estimate of Australian Government investment in R&D has jumped to an all-time record of \$11.9 billion for 2020–21 (up by 17.1 per cent from the previous year), driven by a sharp increase in research block grants. (Note: The 2020–21 data is a budget estimate and will be revised as actual data becomes available.)<sup>2</sup>

**Figure: Australian Government investment in R&D, current prices, \$ billion, latest 2020–21**



<sup>1</sup> 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](https://www.business.unsw.edu.au/About-Site/Schools-Site/Economics-Site/Documents/The_Contribution_of_Research_and_Innovation_to_Productivity_Kevin_Fox.pdf))

<sup>2</sup> Department of Industry, Innovation and Science, *Science Research and Innovation (SRI) Budget Tables* (<https://www.industry.gov.au/data-and-publications/science-research-and-innovation-sri-budget-tables>)