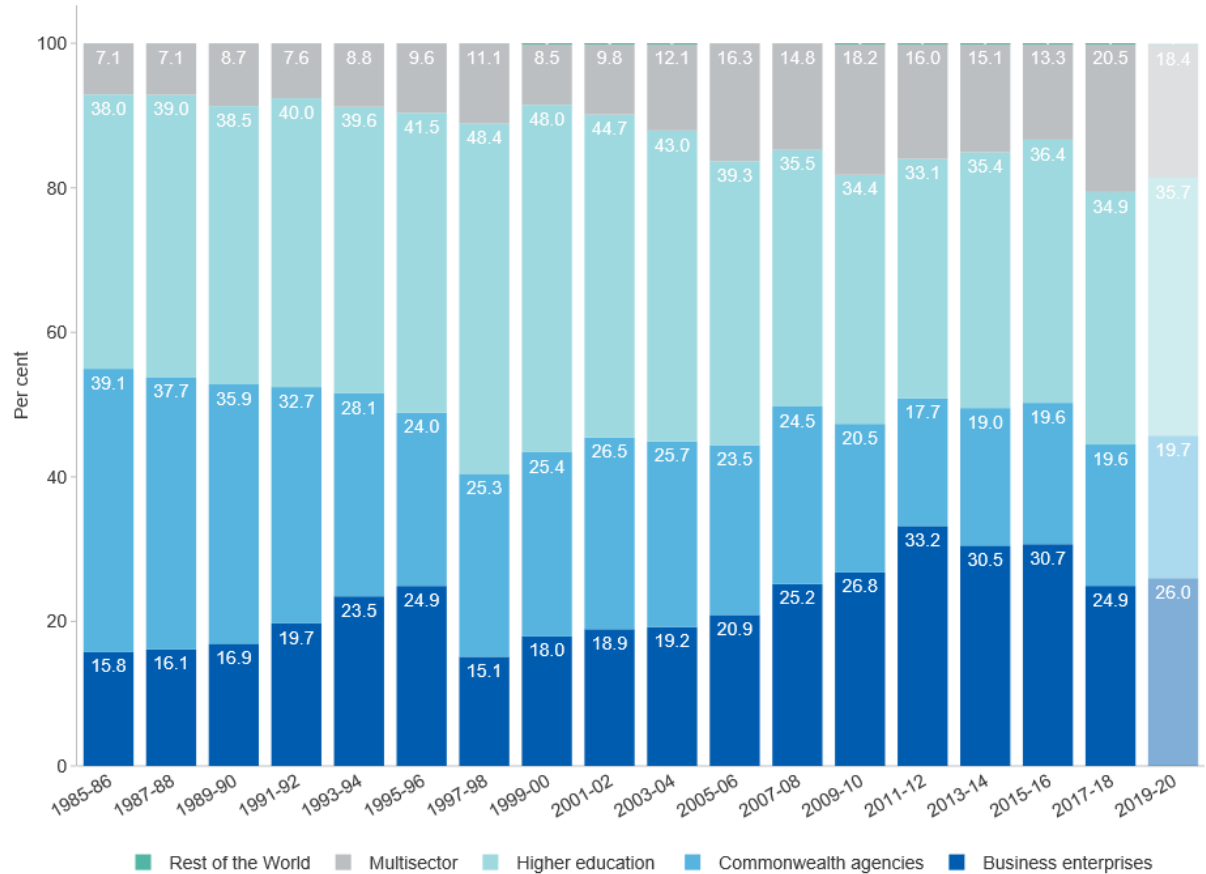


3.2.5 Australian Government investment in R&D by sector

By economic sector, around 39.4 per cent of Australian Government investment in R&D is directed to higher education research for 2020–21. Roughly one fifth (21.8 per cent) is funding for research in business, and some 18.6 per cent is allocated to research activities by the Australian Government and public agencies. *Multisector* funding makes up around 20.1 per cent, and the residual is funding to the rest of the world. The data show that the share of funding for research activities allocated to the *Commonwealth agencies* sector has declined from 51.0 per cent of total in 1981–82 to 18.6 per cent in 2020–21. Over the same period, the share of funding for research in the *Business enterprise* sector has multiplied nearly eight fold (from 2.7 per cent to 21.8 per cent of total) — although the latest estimate is well below the peak of 33.2 per cent in 2011–12. The share of *Higher education* funding peaked at 49.4 per cent in 1998–99 before falling back to between 30 and 40 per cent where it has remained broadly the same over the last decade. (Note: The 2019–20 data is a budget estimate and will be revised as actual data becomes available.)¹

Figure: Australian Government investment in R&D, by sector, per cent, latest 2020–21



¹ 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>)