

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Supplementary Budget Estimates Hearing 2008–09
22–23 October 2008

AGENCY/DEPARTMENT: COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

TOPIC: Funding Cuts

REFERENCE: Question on Notice (Hansard, 23 October 2008, Page E48).

QUESTION No.: SI-35

Senator Abetz—...There was an article in the Canberra Times — I do not often refer to it — on 2 August 2008 titled ‘Cash-starved CSIRO cuts 50 jobs, shuts food plant’. Are you aware of that article?

Mr Whelan — Not that specific article.

Senator Abetz—I now have about 120 seconds left. Could I ask you to look at that and take on notice as to which matters in that article reflect fact and which might be an embellishment. Of course, I am not asking you to comment about the minister’s responses to some of these things. For example, it states:

Among the latest research casualties is cheese science - an area in which Australia is a world leader, supporting a cheese export industry worth more than \$800 million.

That is of great concern, not only to the scientific community, of course. As Dr Garrett quite rightly pointed out in his opening statement, that has a flow-on consequence right through to the dairy farmer at the gate and to rural families and regional communities. I would be very interested in getting feedback in relation to that.

Dr Garrett—We will provide that for you.

ANSWER

Rosslyn Beeby’s article in *The Canberra Times* of 2 August 2008 entitled ‘Cash-starved CSIRO cuts 50 jobs, shuts food plant’ is correct in noting that Food Science Australia will reduce its staff by up to 50 positions.

However the article incorrectly implies that this is primarily in response to the Australian Government’s 2008 budget savings measures that impacted on CSIRO.

Food Science Australia (FSA) is an unincorporated joint venture between CSIRO and the Department of Primary Industries – Victoria (DPI–V). The joint venture is governed by the parties through the FSA Board.

The Canberra Times article correctly refers to the cessation of the Australian Government’s Food Innovation grants program. That program ended in March 2008, but will be replaced by a new Regional Food Producers Innovation and Productivity Program.

The Victorian Government's investment in the FSA joint venture will be reduced by approximately \$1 million in 2008–09. This funding reduction is due to the scheduled ending of funded programs, and is not a budget 'cut' as suggested by *The Canberra Times* article.

CSIRO's Science Investment Process (SIP3), which set investment priorities for 2008-09, resulted in reduced CSIRO funding to FSA. Under SIP3 there will be:

- a reduction of core appropriation from CSIRO by \$1.5 million per annum, with a particular focus on the Processing Innovation theme, although readjustments may be made in the budgets of other themes in light of FSA's overall strategic plan;
- a merger of the Food Structure theme with the Food Futures Flagship theme on Designed Food and Ingredients; and
- a reduction of appropriation investment in near to market research.

CSIRO remains committed to supporting the Australian food industry, including the dairy industry, by addressing major national challenges through our National Research Flagships.

CSIRO and Food Science Australia will focus its capabilities on emerging opportunities and challenges facing a broad range of food industry sectors, rather than specific sectors, such as cheese science. There will however be some positive impacts on FSA's cheese science.

FSA's recognised research capability and the revamped approach to research problems offer the dairy industry opportunities to improve its competitiveness. Most of the world-class capability that the industry has drawn upon in the past is still available, and FSA retains all of the staff associated with this research area and its unique infrastructure. Rather than relying on industry-focused research groups, FSA can now assemble multidisciplinary teams to suit the research problem or opportunity.

The Canberra Times is incorrect in stating that the Container Test Facility (CTF) will be 'mothballed'. CSIRO has not made a decision to mothball the CTF although FSA has gradually reduced activities associated with the use of the CTF due to changing investment priorities.

Various options are being considered for the future use and ownership of the CTF. FSA is having discussions with other potential users, including industry bodies, the CSIRO Division of Energy Technology, and the Energy Transformed Flagship. An example of a possible use for the CTF is the testing of air conditioners for environmental compliance and/or energy ratings. There is considerable interest from industry and the Australian Government (the Department of Environment, Water, Heritage and Arts) to use the CTF for energy related activities.

In relation to *The Canberra Times* statement that the high pressure thermal sterilisation unit is under review, FSA continues to support this area of work and earlier this year a new high pressure thermal sterilisation unit was commissioned in FSA's Werribee laboratories. However, all of FSA's processing equipment is being reviewed and plans are being developed to consolidate the use of equipment to align with the requirements of the food industry and FSA's strategic plans in building capability. The closure of FSA's pilot plant in North Ryde and the relocation of equipment to Werribee is part of this plan.

In relation to CSIRO's research facilities at Rockhampton and Merbein, the article correctly notes that these sites will close. CSIRO has decided to close a number of sites and rationalise Divisional

management structures, primarily related to the Livestock Industries, Plant Industry, Forest Bioscience and Textiles and Fibre Technology divisions, further consolidate the organisation's Sydney site arrangements with a focus on North Ryde; re-phase planned growth in the Flagship Collaboration Fund, and make some additional reductions in lower priority research portfolios using the SIP as the basis for prioritisation.

CSIRO will continue with its plan to consolidate its wine research in Adelaide and to wrap-up its other horticultural research at Merbein over a 30 month period from about mid-2008. CSIRO will work closely with affected industries as they develop a business plan for an alternative mechanism for delivering research outcomes. CSIRO plans to move its wine research to Adelaide to create a hub of excellence and resources and complete all its other horticultural research projects in Merbein. Industry is enthusiastic about the prospect of developing an alternative model for research delivery based around the concept of a Centre for Inland Irrigated Horticulture. CSIRO has agreed to assist in this process of identifying a new model.

In relation to the closure of the Rendel Laboratory in Rockhampton, Queensland, CSIRO's research capabilities in greenhouse gas assessment and mitigation, adaptation to environmental stress and behavioural ecology within the livestock sector will be transferred to Townsville. Other staff involved in quantitative genetics, genomics and food safety will be transferred to Brisbane to build further critical mass in transformational biology.