

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE – QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY ESTIMATES HEARING

**Outcome:** CSIRO  
**Output Group:** - CSIRO

#### DEST Question No. E568\_04

Senator Carr asked on 5 November 2003.

#### Question:

- a) Who produced the business plan that committed CSIRO to the most recent \$50 million investment?
- b) What papers or analysis was carried out by CSIRO to justify the business investment and risk in the AMC project? Please provide copies of all these.
- c) How was this investment monitored and reviewed? By whom?
- d) How often?
- e) Who has been responsible for such monitoring?

#### Answer:

CSIRO has provided the following response.

#### *Contingent liabilities – AMC loan – planning and monitoring*

- a) The \$50m investment arose from a decision by the Government to provide a non-recourse loan to CSIRO for the organisation to enter into a commercial agreement with AMC for the further development and commercialisation of the AM Process technology.
- b) The decision to proceed with the \$50m investment was made by the Government.
- c) A Supervisory Committee was set up under the terms of the agreement between AMC and CSIRO to review and provide comments and recommendations to the company on annual budgets and the terms and progress of the agreed research program. The Supervisory Committee was comprised of two members - one from CSIRO and one from AMC. Its role was purely 'consultative and recommendatory' and all final decisions as to the scope and terms of the research program and the contents of the annual budgets were made by AMC, although in making its decisions the company had to consider any recommendations or comments of the Supervisory Committee.
- d) The Supervisory Committee met approximately quarterly between April 2002 and May 2003. CSIRO also received a monthly progress report on the program of work conducted by AMC. Ad-hoc telephone meetings were held to consider any immediate issues of consequence.
- e) The CSIRO representative was Mr Julian Land until October 2002, and subsequently was Dr Ian Sare.