

EDUCATION, SCIENCE AND TRAINING

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

Outcome: CSIRO
Output Group: - CSIRO

DEST Question No. E588_04

Senator Carr asked on 5 November 2003.

Question:

Please provide a balance sheet for external earnings. In other words, a table identifying the cost of generating this revenue. At the moment, all we see is a table showing earnings; I would like to see this table amended so that we can also see expenditure in these categories.

So, as examples:

- i) What was spent on CRCs to win \$34 million?
- ii) What was invested in private sector joint ventures to win revenue from that sector?
- iii) What is the annual cost of patents and defending CSIRO IP?
- iv) What is the annual cost of business and commercialisation staff, together with legal advice, etc?
- v) What is the cost of preparing submissions to business and other government agencies, together with the cost of managing and monitoring these programs?
- vi) What is the cost of unprofitable joint ventures?

Put simply, what was the total cost to CSIRO in 2002-03 of generating \$275 million in what are described as external earnings?

Answer:

CSIRO has provided the following response.

Annual Report : Finances 2 – External Earnings

Appropriation funded work effectively leverages external revenue through co-investment with other organisations. CSIRO determines its research priorities and allocates appropriation funds to support the research. In many cases, external funding is attracted which increases the overall investment in research priorities.

Therefore, a significant part of CSIRO's research activities are co-invested (ie. funded jointly by appropriation and external sources). For these projects, CSIRO does not identify expenditure related to specific revenue sources.

Information about each of the examples is as follows:

- i) Note 25(a) of the 2002-03 Financial Statements within the Annual Report provides information on expenditure on CRCs. CSIRO's total expenditure on CRCs is \$99.3m.
- ii) CSIRO is involved in one private sector joint venture – the Graingene Joint Venture. In 2002-03 CSIRO invested \$2.0m and received \$5.6m.

- iii) In 2001-02, CSIRO's costs for the statutory protection of its IP portfolio amounted to \$4.98m. Of this amount, \$630k was reimbursed by licensees and assignees and \$349k by co-owners of the IP. [The equivalent figures for the 2002-03 financial year are not currently available. These are presently being obtained through the 2002-03 Commercialization survey being conducted with CSIRO Divisions and will be available in Q1 in 2004].
- iv) The estimated expenditure by CSIRO during 2002-03 for business development and commercialisation activities (including legal advice) was \$31.9m. These costs include both corporate and divisional costs.
- v) This information is spread across the organisation and can not be sourced directly from the CSIRO systems; as such the information can not be gathered in the timeframe available.
- vi) The Food Science Australia joint venture made an operating loss of \$3.2m in 2002-03. Under the joint venture agreement, CSIRO was required to take up a 50% share (\$1.6m) of the loss. This is explained in notes 6.7 and 25 (e) of the 2002-03 Financial Statements.