

## EDUCATION, SCIENCE AND TRAINING

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

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

#### DEST Question No. E627\_04

Senator Carr asked on 5 November 2003.

#### Question:

- a) Did CSIRO put in a submission to this review?
- b) Can you table a copy please?
- c) From your Strategic Plan, it is obvious that you favour retaining the current block appropriation. What arguments did you advance in your submission to support this position?
- d) Have you had any discussions with either the Minister or the Department on these issues?

#### Answer:

CSIRO has provided the following response.

#### *Review of research funding*

- a) CSIRO did make a submission to the Collaboration Review.
- b) A copy is attached.
- c) These can be found in section 7.4 of the attached submission. In summary, the arguments in support of CSIRO's block appropriation are as follows:

#### *7.4 Advantages of block funding*

Block funding an agency like CSIRO offers a number of advantages including enhanced collaboration (particularly as the deleterious consequences of the external earnings target diminish). In addition, block funding of the PFRAs

- Facilitates long-term planning for and implementation of large scale projects by recognising the time necessary to achieve significant economic, social and environmental outcomes from research
- Provides the stability and certainty necessary to develop close relationships with research users, so increasing the potential for effective utilisation or commercialisation of research
- Facilitates more sophisticated research management, fast failure and the strategic reallocation of funds according to a variety of criteria developed in connection with each program
- Provides a base for co-investment both with other research agencies and with industry thereby responding to the small size of Australian firms by developing risk-sharing

arrangements. For example, some \$45 million or 8% of CSIRO's current appropriation funding is co invested in CRCs and hence directly influenced by the contestable selection/evaluation processes of the CRC Program. A further \$157 million is co invested with other agencies such as GRDC or industry and in these situations is often co-managed by a joint oversight committee

- Supports non-research responsibilities – e.g. provision of advice to government, public information role and research training – and the cost of the additional administrative and accountability mechanisms faced by government agencies
  - Maintains and develops national facilities, national collections and other national infrastructure that provides support for projects funded through other mechanisms and other institutions
  - Provides a sound base from which to broker cooperation and build the social capital that promotes collaboration. The Flagship program, for example, has been designed to address big national strategic issues—totally aligned with the National Research Priorities—and nearly two years have been spent working through the goals and objectives of the Flagships in a recursive manner so that they are widely accepted by many partners. This has been a lengthy and quite expensive process and involving cost that is not borne by a “contestable ARC model” of R&D funding. Indeed such contestable funding is invariably only partial funding and tends to pit teams against one another when it is often desirable to them have working together. To achieve outcomes that address these big national issues some large scale “social engineering” is required which requires resources, experience, knowledge, skills and collaboration which is underpinned by CSIRO's block funding and
  - Provides Government, through the negotiation of the relevant performance framework and funding agreement, with confidence that key national priorities and objectives will be addressed through outcome focussed strategic research that is managed with adoption and uptake in mind. In essence CSIRO, given its capabilities, breadth and track record is the major “executive arm of the Government” for delivering on the National Research Priorities. This is only possible because of the block funding combined with a strong performance framework that is designed to deliver value and impact for the nation.
- d) There have been a number of discussions over recent months on these issues with our Ministers and Departmental Officers by a number of CSIRO Officers.