

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 SUPPLEMENTARY ESTIMATES HEARING

**Outcome:** CSIRO

**Output Group:** CSIRO

#### DEST Question No. E730\_06

Senator Wong provided in writing.

#### Question:

Revenue from consulting and research services fell by \$18 million to \$60 million in the last year. What are the reasons for this and what is CSIRO doing to remedy this?

Revenue from intellectual property fell to \$20 million in 2004-05, from \$22 million the previous financial year. What are the reasons for this and what is CSIRO doing to remedy this?

Provide figures for intellectual property revenue and revenue from consulting and research services since 2000.

#### Answer:

*CSIRO has provided the following response.*

#### *Revenue from Services and Consulting and Intellectual Property*

The major reason for the decrease in services and consulting has been the elimination over time of the organisation's subsidisation of these services, leading to increases in the cost of these services which has impacted on demand. However, this has enabled more appropriation resources to be redeployed into longer term strategic research. Given that there has been an increase in appropriation resources devoted to strategic research and an increase in external revenue co-invested in these activities, CSIRO has no plans to change this situation.

The Services and Consulting revenues received since 2000 are as follows:

	2000/01	2001/02	2002/03	2003/04	2004/05
Services and Consulting Revenue	20.1	21.8	83.7	78.7	60.9

In terms of Intellectual Property, IP revenues of \$20.4 million from 2004-05 are comprised of "running royalties" from licensed IP, together with one-off transactions such as the sale of shares in listed companies and income from licences of IP to spin-off companies. Revenue streams from such "one-off" transactions tend to be "lumpy", and are always subject to market conditions. As described in CSIRO's 2004-05 Annual Report, a number of spin-out capital-raising transactions had reached "term sheet" stage by 30 June 2005, but did not formally close until the 2005-06 financial year. The IP revenue from four such transactions worked up during 2004-05 and now having closed in 2005-06, totals \$9.3 million. In 2004-05 the running royalties from licensed IP was over \$15 million, up significantly from 2003-04 (\$9.5 million).

The IP revenues received since 2000 are as follows:

	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
Running royalties	9.3	13.3	11.5	9.5	15.1
One-off transactions and sale of shares	-1.0	5.2	2.3	12.4	5.3
Total	8.3	18.5	13.8	22.0	20.4