



Corporate Responsibility

Joint Committee on Corporations and Financial Services

CSIRO submission

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Key points

- CSIRO wishes to make a background submission to the Joint Committee even though the Terms of Reference do not formally apply to our Organisation. Our submission therefore does not specifically address the Terms of Reference; rather it provides some background information for the Committee about how CSIRO attempts to assist its collaborators in achieving corporate responsibility objectives.
- CSIRO strives to assist industry to achieve corporate responsibility through strategic partnerships that deliver Triple-Bottom-Line outcomes and incorporate social engagement.
- CSIRO delivers Triple-Bottom-Line outcomes through the research partnerships which result in innovative and competitive industries, healthy environment and lifestyles, and a technologically advanced society.
- CSIRO has a well-developed expertise in social engagement and a wealth of experience in embedding this important aspect of corporate responsibility in its research.
- CSIRO has established strong partnerships with Australian industries which have resulted in benefits for both the Australian community and environment.

Introduction

CSIRO exists to bring benefits to Australia through science. Specifically, CSIRO's core role, as defined under the *Science and Industry Research Act* (1949), is to carry out scientific research to:

- assist Australian industry;
- further the interests of the Australian community;
- contribute to the achievement of the Australian national objectives or the performance of the national and international responsibility of the Commonwealth;

- any other purpose determined by the Minister; and
- to encourage or facilitate the application or utilisation of the results of such research.

Consequently, CSIRO is an organisation with multiple scientific roles – some of which are focused on increasing national wealth, whilst others emphasise the delivery of science solutions directly to communities.

This submission comments on the work CSIRO carries out in Triple-Bottom-Line reporting and social engagement as well as the ways in which CSIRO research assists Australian industry in creating benefit for the community and environment.

CSIRO and the Triple-Bottom-Line

CSIRO considers itself to be successful when research results are applied by our stakeholders in ways that deliver impacts across the Triple-Bottom-Line. This encompasses economic, social and environmental impacts achieved through the delivery of innovative and competitive industries, healthy environment and lifestyles, and a technologically advanced society.

CSIRO's capacity to deliver on Triple-Bottom-Line outcomes is embedded within its Divisional and Flagship frameworks. It is based on a long history of effective collaboration with industry, community and government, and is founded on its ability to integrate economic, social and environmental research.

Innovative and competitive industries

Through its engagement with Australian industries, CSIRO delivers innovation and an increased competitive capacity by developing lower or more competitive production costs, improved quality of goods and services, and new products, services and businesses.



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Healthy environment and lifestyles

CSIRO science is a vital component in Australia's efforts in reducing pollution, delivering improved human health, safety and wellbeing, and improved environmental health.

A technologically advanced society

CSIRO has a long-standing engagement with Australian government and society to reduce economic, environmental and social risk; to develop the Australian skills base (enhance human capital); and to inform policy (contributing to cost-effective public programs).

Social engagement

CSIRO has a long history of engagement with the community, particularly through the delivery of community-driven research. Traditionally, such research has been delivered through government agencies or community groups or a mixture of both. However, in recent years CSIRO has increasingly recognised the importance of applying its expertise in social engagement to its industry-driven research.

CSIRO has a well-developed expertise in social engagement and a wealth of experience in embedding this important aspect of corporate responsibility in its research. One avenue that CSIRO has pursued to increase the effectiveness of the latter is the development of a Social and Economic Integration initiative. The goals of this initiative are to:

- increase the value of CSIRO research through greater attention to social and economic factors, and the delivery of integrated solutions;
- enhance CSIRO's relationships with clients and stakeholders through the use of holistic approaches and facilitate better engagement between researchers and those affected by their research;
- enhance CSIRO's capacity to analyse interdependent systems involving or influenced by people;
- assist the development, uptake and commercialisation of CSIRO research;

- position CSIRO to address the most critical questions and issues facing society nationally and internationally.

One of the key activities of this initiative is supporting greater attention to the contribution of social and economic analysis in research and development, the benefits of deeper stakeholder engagement, and the need to deliver research outputs of value to clients and the Australian community. There are obvious synergies, therefore, with industry corporate responsibility and incorporating this type of research as a matter of course in CSIRO's industry partnerships.

In addition, our Social and Economic Integration initiative is aimed at enhancing CSIRO's corporate responsibility, both as a science provider and as an employer.

CSIRO, Australian industry and corporate responsibility

CSIRO has established strong partnerships with Australian industries which have resulted in benefits for both the Australian community and environment.

CSIRO believes it is in the public interest to fill gaps in knowledge or to provide technology assistance where Australian industries are unable to meet these needs themselves. However, when engaging in partnerships with industry, the underlying principle for CSIRO is to provide public benefit. Approximately 50% of CSIRO's research is currently industry-driven.

Much of the industry-driven research carried out by CSIRO is centred on economic factors, by increasing commercial gains. The community benefits, therefore, are generally delivered through commercial vehicles. These include the creation of new jobs, increased competitiveness for Australian companies (with flow on benefits for the Australian economy), improved productivity, sustainability and resilience of key industries (particularly for rural communities), the development of new industries, and the establishment of safer work practises. These benefits are typically delivered through the uptake of CSIRO research and development resulting from contract and co-investment arrangements, but can also be derived through spin-offs, start-ups, or licence arrangements.



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Where the benefits of CSIRO research flow only to a few industry players, CSIRO expects higher industry contributions.

In addition to commercially derived benefits, CSIRO assistance to industry can provide environmental benefits. One of the key avenues for this is through assistance to industry to meet higher environmental standards – an aspect of corporate responsibility that is being increasingly recognised as important for sustainable profitability. The flow-on benefits to the Australian environment include reduction in pollution (in particular water and air), remediation of contaminated landscapes, and more sustainable use of our environmental capital. A good example of this is CSIRO's developing partnership with Australian power companies to reduce their greenhouse gas emissions, thus assisting Australian efforts to contribute to the mitigation of greenhouse gas induced global warming.

Most research projects in CSIRO's current portfolio have the potential to deliver multiple benefits. Some examples are:

- Working with mining companies to develop more environmentally friendly and effective methods for remediation of old mine sites will improve their ability cost-effectively to meet legislative requirements as well as to broaden their suite of products and in turn their competitiveness. It will also provide community benefits through a cleaner environment.
- Developing a prototype system for diversified land use in tropical landscapes will assist farmers in Queensland and the Northern Territory. It will also deliver more sustainable use of our agricultural resources and economic resilience to important regional communities.
- Inventing a mass screening diagnostic for bowel cancer will be invaluable to the health and longevity of many Australians. It could also form the basis of a vibrant biotechnology business, providing export income and high-tech jobs for Australians.

CSIRO has a strong commitment to utilising its funding to improve the living standards of the Australian people. This is true whether CSIRO's clients are Australian industry, governments, community groups or the Australian society as a whole. CSIRO believes that the best way to achieve this is through a mixed model of community and industry partnerships.