

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2016-17 Supplementary Budget Estimates
20 October 2016

AGENCY: CSIRO

TOPIC: CSIRO commercial deals

REFERENCE: Written Question – Senator Carr

QUESTION No.: SI-85

In reference to the press release dated 1 March 2016 "CSIRO signs commercial deal with Australian education start-up focused on STEM education" :1) How many commercial contracts has CSIRO got in operation for similar partnership agreements?2) What is the nature of this commercial contract with Stile Education?3) What services is Stile Eductaion providing CSIRO?4) What are the obligations of CSIRO?5) How much or what value is the contract?6) Who signed the contract?7) Is that contract project based or for services over a period what is the timeline?8) Why is this contract not reported on the Austender website?9) to date, what outcomes have been achieved from this relationship?

ANSWER

- 1) The contract with Stile noted in the press release dated 1 March 2016 is the only contract in operation for education programs where CSIRO is partnering with a startup focussed on STEM education where both companies benefit financially from the agreement (via shared revenue).
- 2) The contract is a commercial arrangement to create online Australian Curriculum compliant science lessons for Grade 5 and 6 students based on content from the Double Helix magazine. A lesson package is sold on a subscription basis to schools. Marketing and promotion is done by CSIRO while the online transactions, including subscription payments and use of content occurs on Stile's platform. 70 per cent of revenue passes to CSIRO while Stile retains 30 per cent of revenue for hosting the platform.
- 3) Stile creates online lessons for Grades 5 and 6 students based on content from CSIRO's *Double Helix* magazine. CSIRO owns the intellectual property in the final product, excluding any third party licensed input. Stile hosts the content on its platform.
- 4) CSIRO's obligations under the contract are to:
 - a. make available content from the *Double Helix* magazine
 - b. review content
 - c. advise on development of content
 - d. promote and market online lessons
 - e. pay for content development
- 5) CSIRO is paying Stile \$250,000 + GST for content development of 10 modules.
- 6) The signatories on the contract are Andrew Stammer, Executive Manager, CSIRO Publishing and Byron Scaf, Chief Executive Officer, Stile
- 7) The contract requires all content to be created within 18 months. Content is then hosted on the Stile platform for subscriber access. The agreement may be terminated for convenience after three years.
- 8) The project was granted *F8 Exemption from Quotation \$20,001 to \$400,000* and did not go to tender.

- 9) Four out of ten modules have been published. As at 31 October 2016 there were 266 schools registered for the free trial. Feedback from that trial has led to 379 paid student subscriptions.