

EDUCATION, SCIENCE AND TRAINING

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

Outcome: CSIRO
Output Group: CSIRO

DEST Question No. E230_04

Senator Carr asked on 4 June 2003.

Question:

- (a) Have all six Flagships now been established?
- (b) Have their business plans been finalised?
- (c) Have their budgets been finalised?

If not, when do you expect them to be?
- (d) Can you provide copies of the research plans, business plans and budgets for all the Flagships?

Answer:

CSIRO has provided the following response.

Flagships

- (a) Five of the six Flagships have now been established in the sense that research under the Flagship banner has begun. These Flagships are: Agrifood Top 5, Energy Transformed, Healthy Country, Light Metals and Preventative Health. The sixth Flagship, Wealth from Oceans, is still in the process of consulting with stakeholders and developing a business plan.
- (b) The business plans for Healthy Country, Light Metals and Preventative Health were prepared for consideration by the Flagship Oversight Committee in November 2002. The business plans for Agrifood Top 5, Energy Transformed and Wealth from Oceans were considered by the Flagship Oversight Committee in March 2003.

In all cases the Committee allocated less Appropriation to the Flagships than the amount requested, and the Flagship Directors were asked to reduce the scope of the Flagships' research programs to bring them into line with the funding provided. In the case of Energy Transformed, the Committee approved research in only one theme area, namely low energy transmissions.

The Flagship Oversight Committee considered the Wealth from Oceans plan as an early draft. It noted that significant additional work was necessary to finalise the plan. A copy of the early draft is provided to the Committee to provide an indication of the research focus that the Flagship might adopt when it gets under way.

Copies of letters from the Chairman of the Flagship Oversight Committee to the Flagship Directors announcing the outcomes of the Committee's deliberations are also provided. You will note that the initial funding allocation to Healthy Country in November 2002 was \$10m. This was reduced to \$8m in March 2003.

Flagship business plans are being revised in light of decisions about budgets and research programs and will, in accordance with the Flagship Oversight Committee's annual cycle, be presented for consideration by the Committee around November 2003.

(c) All six Flagships have been advised of their Appropriation allocations for 2002/3 and 2003/4. There is still capacity to increase funding to specific Flagships following an evaluation of business plans by the Flagship Oversight Committee:

- Energy Transformed has been funded for work in the area of low emissions electricity. The Director has been advised that its allocation for 2003/4 might be increased when he has achieved greater clarity around other potential themes in the Flagship's research program.
- Wealth from Oceans has been advised that its allocation for 2003/4 might be increased when further progress has been made on defining the program of research in the business plan and a substantive Director has been appointed.

Both Flagships are expected to seek additional funding at either the August or November meetings of the Flagship Oversight Committee. Others may do so also.

Current Appropriation allocations are shown in the following table:

Flagship	2002/03 \$m	2003/04 \$m
Agrifood Top 5	0.46	9.0
Energy Transformed	0.19	2.5
Healthy Country	2.0	8.0
Light Metals	3.0	7.0
Preventative Health	4.5	8.0
Wealth from Oceans	0.1	1.0
Provision for further Flagships or existing Flagship ramp up	0.0	8.8
Total	10.25	44.3

Flagship Directors have prepared indicative budgets for 2003/4 as follows:

Flagship	Direct Approp ¹	Leveraged Approp ²	External Revenue	Total
Agrifood Top 5	9.0	6.0	1.5	16.5
Energy Transformed	2.5	0.88	1.14	4.52
Healthy Country	8.0	7.5	14.0	29.5
Light Metals	7.0	1.25	1.0	9.25
Preventative Health	8.0	6.86	4.13	18.99
Wealth from Oceans	1.0	N/A	N/A	1.0
Total	35.5	22.49	21.77	79.76
Provision for further flagships or existing flagship ramp up	8.8	0.0	0.0	8.8
Flagship initiative total	44.3	22.49	21.77	88.56

1. Direct Approp is made up of internal redeployment of \$24.3m and \$20.0m from government (see answer to E231_04)
2. Leveraged Approp represents appropriation funded in-kind contributions provided by Divisions to Flagships via specific projects that are agreed to be part of the Flagship research program

(d) See (b) above re business plans and (c) above re budgets. Copies of the research plans (in some cases described as 'operational plans') are attached for all Flagships except Wealth from Oceans (since this Flagship is still developing its business plan, it has not yet begun to develop an operational plan). In considering these research plans it is important to recognise that the Flagships are constantly evolving, and that, like the business plans, the research plans represent a picture at a particular point in the evolution of the Flagships.

In some cases these plans refer to detailed experimental approaches, IP positions and collaborating partners and other matters that may have commercial or other sensitivities. CSIRO has provided these plans as requested by the Committee, but asks that they be treated as works in progress, and with the appropriate sensitivity.