

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2011-12
19 October 2011

AGENCY/DEPARTMENT: COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION (CSIRO)

TOPIC: *APLNG CONTRACT*

REFERENCE: Question on Notice (Hansard, 19 October 2011, Page Number 8 & 9)

QUESTION No.: SI-1

Senator Waters

Dr Johnson: As Mr Whelan said, there are very clear safeguards in the contractual arrangements we have with APLNG around CSIRO's ability to publish, in the primacy of independent peer review, the scientific work that is undertaken.

Senator WATERS: And the non-scientific work?

Dr Johnson: And the non-scientific work. There is a section in the contract—I do not have the contract in front of me—that is very clear on the communications protocols that we associated with the publication of non-scientific material as part of the alliance. Those are standard protocols that the CSIRO enters into in all of its major alliance arrangements and whereby we would ensure that any publications that come out of the alliance that are non-scientific remain true and appropriate to the context of the science produced.

Senator WATERS: I would be really interested to see a copy of that contract. Is it possible to do that today?

Dr Johnson: No, it is not. I do—

Mr Whelan: We would be happy to take that question on notice.

Senator WATERS: Can we have it by the end of the week?

Dr Johnson: I am happy to take it on notice.

ANSWER

The Alliance Agreement between Australia Pacific LNG Pty Limited and the Commonwealth Scientific and Industrial Research Organisation was signed on 11 May 2011. This Alliance Agreement is the basis upon which all participants join the Gas Industry Social and Environmental Research Alliance (GISERA). A copy of this agreement is provided as an attachment to this response (**Attachment A**). CSIRO also provides the following overview of GISERA, including an overview of some of the features that support and protect CSIRO's scientific integrity and independence within this alliance.

Gas Industry Social and Environmental Research Alliance - Explanatory Statement

1. BACKGROUND

- 1.1. The Gas Industry Social and Environmental Research Alliance (**GISERA**) is the name of the collaborative research alliance established under the attached Alliance Agreement between Australia Pacific LNG Pty Ltd and the Commonwealth Scientific and Industrial Research Organisation, as the foundation participants. It is intended that new participants will be admitted to GISERA. To this end, the Management Committee will, within six months of the commencement of GISERA, establish principles to be applied in deciding whether and how to admit new participants.
- 1.2. The Alliance Agreement establishes standards for the governance and operation of GISERA.
- 1.3. The objectives of GISERA are:
 - (a) to carry out research and improve and extend the knowledge of social and environmental impacts and opportunities of CSG-LNG projects for the benefit of the CSG-LNG industry, the relevant community and the broader public; and
 - (b) to inform government, regulators and policy-makers on key issues regarding the policy and legislative framework for the CSG-LNG industry.

2. OVERVIEW

- 2.1. The Alliance Agreement provides that:
 - (c) subject experts may be appointed to the Research Advisory Committee to have input into the selection of projects to be referred to the Management Committee for approval;
 - (d) projects cannot be unilaterally terminated (except for default or insolvency of a participant) without the agreement of both parties; and
 - (e) subject to provisions regarding the disclosure of confidential information, publications are approved by the Alliance Director (a CSIRO employee) and, in the case of the proposed publications containing confidential information, are approved by the Management Committee. These obligations are subject always, to an overarching right of disclosure of project results by CSIRO to: (i) a responsible authority where the disclosure is necessary to prevent or minimise a potential risk to public health or safety or environmental harm or damage; or (ii) to respond to a request by its responsible government Minister, or by a House of Parliament or a Committee of Parliament.
- 2.2. An overview of the governance of GISERA follows. The Alliance Agreement provides for:
 - (a) a Management Committee comprising representation of both CSIRO and APLNG to oversee the activities of GISERA. All decisions of the Management Committee are to be made by unanimous vote;

(b) a Research Advisory Committee to include up to two representatives of CSIRO and APLNG (including, in the case of CSIRO the Alliance Director) and subject specialists appointed from time to time. The parties are currently in discussions with independent groups to identify suitable representation on the Research Advisory Committee. The parties hope to be in a position to announce the independent appointments to this Committee shortly. The Research Advisory Committee has a number of roles including the preparation of the annual research program, annual budget, advising the Management Committee on science direction and gaps, to provide advice to the Management Committee on technical issues;

(c) the appointment of an Alliance Director who is an employee of CSIRO. The appointment of the Alliance Director cannot be terminated except by the unanimous decision of the Management Committee.

2.3. The annual research program is prepared by the Research Advisory Committee for the approval of the Management Committee. It is contemplated that the research undertaken will be pre-commercial research, consistent with the collaborative intent of the Alliance outlined in 'Background, D' of the Agreement. However, due to the unpredictable nature of scientific research, there is a possibility that GISERA research may identify commercial opportunities. To further ensure that GISERA retains its pre-competitive research focus, the Management Committee will review the progress of research projects at least quarterly. In the unlikely event that commercial outcomes are generated from a GISERA research project the Alliance Agreement contains provisions dealing with the commercialisation of those outcomes. It is anticipated, however, that the commercial research and development activities will be not be funded under GISERA. In the event that such opportunities arose, it is intended that these would be removed from GISERA and made the subject of a separate research and development agreement.

2.4. It is intended that the outcomes of the research will be made publicly available and disseminated widely, including through scientific articles.