Economics References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

RE: Funding and Resourcing for the CSIRO

Dear Economics References Committee:

Thank you for considering my submission.

In 2025 CSIRO announced cuts of 300–350 FTE research positions, citing a “critical inflection point” where funding has not kept pace with rising research costs; this came after >800 positions were removed over the prior 18 months.

At Senate Estimates (4 Dec 2025), CSIRO advised that additional further cuts may be required to fund long-term infrastructure underinvestment ($80–$135 million annually). This has led to a disproportionate impact on Environment Research Unit (ERU), ~150 roles (circa 20% of ERU) could be cut, focusing reductions on climate, water, and oceans research.

The CEO has noted that CSIRO appropriation value grew at ~1.3% /year over 15 years, while CPI averaged ~2.7%. This has resulted in the cost of science rising faster leading to sustainability challenges, despite no nominal budget cuts. While the $233 million MYEFO boost (17 December 2025) could stabilize some activities, one-off injections cannot fix structural issues such as infrastructure renewal needs. This real decline in CSIRO appropriation, and volatile program funding all impede its researchers who require stable, multi-year support to deliver impact.

Public-good science addresses market failures, activities essential to national welfare but are unlikely to attract industry co-funding or immediate commercial returns (e.g., climate, biodiversity, drought resilience research). When base the CSIRO appropriation lags inflation and science costs, the environmental programs such as these are de-prioritised, weakening Australia's long-term sovereign science capacity. Sector bodies and experts highlight that just-in-time or one-off funding does not deliver secure, long-term capability. For example, the Australian Academy of Science and ATSE both criticised the lack of forward-looking investment necessary to protect strategic research capacity and underpin productivity. Further analysis has shown that Australia's public R&D investment as a share of GDP remains below OECD averages, and CSIRO's funding as a share of GDP has declined over decades, intensifying pressure on public-good research.

Sovereign science capability - the ability to generate, retain, and deploy knowledge and technology in the national interest - depends on strong public research institutions and sustained investment across the R&D pipeline. Science & Technology Australia stresses the need for aligned and stable funding to ensure local innovation is translated domestically and to avoid dependence on overseas solutions. Sovereign research capacity is central to economic resilience and security; governments must underwrite public-good basic research to generate ideas from which industry can draw. Sustained capability is crucial to the Government's Future Made in Australia ambitions.

CSIRO's ERU delivers essential environmental decision-support for governments, industries and communities, including water security science, adaptation planning, climate risk tools, and marine/ocean observations. For example, ERU's research informs Murray–Darling Basin plan and policy and deploys new tools such as managed aquifer recharge and water banking for future drought resilience. CSIRO's adaptation work extends internationally (e.g. DFAT- CSIRO alliances), focusing on agriculture, livelihoods and water under changing climates - evidence of the expertise and platforms Australia relies on domestically and shares regionally. At the state level, CSIRO partnerships (e.g., with the Goyder Institute in South Australia) are advancing adaptation projects - directly supporting primary industries, wetlands, and regional water resilience while currently in a sustained drought in Southern Australia. Curtailing ERU capability precisely when extreme events, drought and fire risks, and ocean warming accelerate would degrade national readiness and policy evidence bases, contradicting the Government's stated priorities in climate adaptation and environmental protection.

The ERU could lose ~150 positions (~20% of its numbers), significantly more than proportional to overall reductions. Such a cut would devastate impact research in climate, environment oceans and water, areas where industry co-funding is limited and public-good imperatives are the strongest.

My recommendations to committee:

A. Stabilise and strengthen base CSIRO appropriation
   1. Multi-year, inflation-indexed uplift to CSIRO's base appropriation to match real science cost growth, with an explicit infrastructure renewal line (~$80–$135 M /year for 10 years) to avoid staff cuts tied to capital needs.
   2. Establish a Public-Good Science Fund within CSIRO (ring-fenced) to support long-horizon, non-commercial environmental research, insulating ERU and related programs from market volatility.

B. Safeguard sovereign science capability
   3. Legislate a Sovereign Science Capability Charter for CSIRO, with Australian data sovereignty and local translation pathways.
   4. Create cross-portfolio mechanisms (Industry, Education, Environment) to align CSIRO programs with national priorities.

C. Immediate actions on CSIRO Environmental Research Unit
   5. Suspend ERU staffing reductions; maintain staffing to deliver seasonal outlooks, flood/drought risk assessments and water security research.
   6. Provide bridge funding to ERU programs directly serving states and regions to ensure continuity of water security and climate adaption science.

CSIRO's ability to deliver public-good science and sovereign capability requires predictable, adequate funding commensurate with the rising cost of science and infrastructure renewal. The current trajectory of workforce reductions—especially in the ERU—conflicts with Australia's climate and environmental priorities and will have downstream impacts on communities, industries and national resilience. A structured, multi-year resourcing framework—not episodic supplements—will secure CSIRO's mission and Australia's science future.

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