Purpose

To increase and clarify the Commonwealth Scientific and Industrial Research Organisation's (CSIRO's) functions and powers, replace the executive of the CSIRO with a Board, make the Board subject to the Minister's directions and require the Board to submit strategic and annual plans.

Background

The Commonwealth first assumed responsibility for scientific research 14 years after Federation when it proposed the establishment of the Advisory Council on Science and Technology. Formally set up in 1916, the Council was the predecessor of the Council for Scientific and Industrial Research which, in 1949, became the CSIRO. By 1985 this statutory authority had grown into a large, diverse organisation made up of forty one research divisions, grouped into five institutes, covering a broad range of disciplines in the physical and biological sciences. In 1985 the CSIRO employed approximately 7000 people and had a budget of approximately $380 million.[1]

Today the CSIRO is Australia's largest research organisation,[2] performing a range of research activities in support of different national objectives. It was last reviewed nine years ago, and as a result, substantial changes were made to its structure and policies. Since that time, rapidly changing economic circumstances have lead to suggestions, both in Australia and overseas, that government research organisations, like the CSIRO, could contribute more effectively to national economic and social objectives.
In May 1985 the Government asked the Australian Science and Technology Council (ASTEC) to undertake a review of public investment in research and development in Australia and in particular to report and make recommendations with respect to the future of the CSIRO. ASTEC's report "Future Directions of CSIRO" was presented in November 1985.

Amongst other things, ASTEC recommended that:

- the CSIRO's main role be the conduct of applications orientated research combined with a commitment to ensure the effective transfer of its research results to end users;

- the present executive of the CSIRO be replaced by a Board whose members should serve part-time and be drawn from outside the Organisation.

This Bill largely implements the recommendations made in the ASTEC report.

Outline

This Bill will amend the Science and Industry Research Act 1949 and the Science and Industry Endowment Act 1926. A Schedule to the Bill changes the spelling of 'Organization' to 'Organisation' wherever that word appears in the Science and Industry Research Act 1949.

Main Provisions

Amendments to the Science and Industry Research Act 1949 (the Principal Act)

Two additional items will be added to the CSIRO's functions by clause 7 which will amend section 9 of the Principal Act. The new functions will be to encourage the application of the results of scientific research apart from research carried out by the CSIRO, and, secondly, to carry out services and make facilities available for scientific research. Clause 7 also amends section 9 so that the functions of the CSIRO will be designated as either primary or secondary functions. The primary functions will be to carry out research in support of Australian industry and to encourage the utilisation of such research.
A new item will be added to the CSIRO's powers by clause 8 which will amend section 9AA of the Principal Act. The CSIRO will be empowered, with the Minister's approval, to acquire a controlling interest in a company.

Clause 10 will insert a new Part IIA into the Principal Act covering proposed sections 10A to 10J and dealing with the Chief Executive of the Organisation. The Chief Executive of the Organisation will be established by proposed section 10A and will hold office on a full-time basis for a maximum five year appointment (proposed section 10B).

Clause 12 will substitute new sections 11, 12, 13 and 14 into the Principal Act. New section 11 will establish a Board of the CSIRO in substitution for the existing executive. Elsewhere throughout the Principal Act a reference to "Executive" will be amended to become "Board". The Board's function will be to ensure the CSIRO performs its functions, determine CSIRO policy and to give directions to the Chief Executive (proposed section 12). The Minister will be able to direct the Board with respect to the Board's performance of its functions and such directions will have to be complied with (proposed section 13). Government policy will have to be adhered to by the Board (proposed section 14). The Board will consist of a full-time Chief Executive and between 7 and 9 part-time members (proposed section 14A).

Advisory Committees may be established by the Board to advise the Board on particular matters (clause 18 which will substitute a new section 24 into the Principal Act).

The Board will have to prepare strategic plans, setting out the Board's objectives for the next five years and such plans will have to be submitted to the Minister (clause 20 which will substitute a new section 34 into the Principal Act). Annual operational plans will also have to be prepared by the Board setting out details of the activities proposed and the resources allocated for carrying out the objectives outlined in the strategic plan (clause 20 which will substitute a new section 35 into the Principal Act). Compliance with the plans is a requirement imposed by new sub-section 36(1) (substituted by clause 20), however, non-compliance will not render an activity invalid (new sub-section 36(2) substituted by clause 20).
The $100,000 limit on contracts into which the CSIRO may enter without Ministerial approval will be increased to $250,000 by clause 23 which will amend section 50 of the Principal Act.

Section 56 of the Principal Act provides for a Consultative Council to report to the Board on matters affecting CSIRO officers. Clause 26 will amend section 56 so that representatives of officers of the CSIRO will be on the Council.

Amendments to the Science and Industry Endowment Act 1926 (the Principal Act)

Currently all members of the CSIRO Executive are trustees of the Science and Industry Endowment Fund (section 6 of the Principal Act). Clause 33 will amend section 6 so that the Chief Executive of the CSIRO will be the trustee of the Fund.

For further information, if required, contact the Science, Technology and Environment Group.

8 October 1986

References

2. Ibid., p.1.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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