

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

DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: Innovation and Science Australia

REFERENCE: Written Question – Senator Carr

QUESTION No.: SI-129

1. In relation to Innovation and Science Australia (ISA), the Department's Incoming Government Brief prepared for Minister Hunt and obtained under FOI provisions states that "A global search process to identify a suitably qualified candidate for the CEO position is underway" (page 35). In relation to this issue:
 - o When did this process commence?
 - o Is this process being run by the Department? Or has it been outsourced in whole or in part to an external consultant?
 - o If it has been outsourced, what is the cost to date of this "global search"?
 - o If it has been outsourced, who approved the outsourcing of this work? Was the Minister's office consulted?
 - o What are the selection criteria for the candidates?
 - o Was the Minister's office consulted on the criteria and if so, did the Minister sign off on them?
 - o Have any candidates been shortlisted? If so, when and how many?
 - o Has a short list been provided to the Minister's office? If so, when and what has been the response?
 - o When is a decision expected on the appointment of a CEO?
2. According to the Department's website, the previous Minister issued ministerial directions to Innovation Australia on 2 June 2015. Have any ministerial directions been issued to Innovation and Science Australia? If so, please provide a copy of the directions.
3. What is the average staffing level (ASL) allocated to Innovation and Science Australia (ISA) and the indicative budget to support the work of the board in 2016-17? Please include a breakdown of the APS levels for ISA staff, and a summary of their roles and functions.
4. In relation to contract notice PRI-00003629 issued on 12 August 2016:
 - o Was the Minister's office consulted regarding the offer of this tender?
 - o Did the Minister approve the offering of the tender? If so, on what date?
 - o How many submissions were received?
 - o Has a recommendation been provided to the board of Innovation and Science Australia?
 - o Has a tenderer been selected?
 - o What is the value of this contract?
 - o Can you please outline in detail what services are being proposed to be delivered as part of this contract?
 - o Why was a decision taken to outsource this work?

ANSWER

1.

- a) 5 January 2016.
- b) The process has been jointly managed by the Department and an executive recruitment firm.
- c) \$98,464.10 (GST inclusive).
- d) An Acting Deputy Secretary, at the Department of Industry, Innovation and Science approved the approach to market for executive recruitment services.

In January 2016 the then Minister was briefed on the CEO search process, including the approach to market.

- e) The selection criteria for the CEO position, as advertised in national press on 5-6 February 2016, includes the following experience, skills and qualities:
 - Substantial track record and strong standing in an innovation and or scientific capacity, including industry innovation and/or commercialisation experience
 - Senior leadership and management experience in private sector, university, research agency, government or any combination of these
 - Capacity to act in a strategic advisory role to develop and drive implementation of long term strategic initiatives, with an excellent understanding of Australia's innovation and science ecosystem
 - Ability to initiate and build strategic and effective cross-sectoral working relationships, including between academic and commercial innovation sectors nationally and internationally, in order to achieve commercialisation of Australian inventions and ideas
 - Superior communication, persuasion and negotiation skills, including media experience
 - Excellent understanding of public policy and familiarity with the machinery of government
- f) In January 2016 the then Minister was briefed on the CEO search process, including the approach to market. Ministerial approval of the selection criteria was not sought.
- g) Four candidates were shortlisted in April 2016. Four additional candidates were shortlisted in September 2016.
- h) No.
- i) On 9 November 2016, the Hon Greg Hunt MP, Minister for Industry, Innovation and Science announced the appointment of Dr Charles Day as the CEO.

2. The Minister has issued three directions to Innovation Australia/Innovation and Science Australia since 2 June 2015. These directions have been gazetted and are available on the Federal Register of Legislation. Please see attached.

The *Industry, Research and Development Amendment (Innovation and Science Australia) Act 2016* made changes to the *Industry Research and Development Act 1986*. The amending Act provides transitional provisions, and section 39(3) provides as follows:

‘If a direction under section 18A, 19, 19B or 20 of the *Industry Research and Development Act 1986* was in force immediately before the commencement of this item, the direction is taken, after that commencement, to have been given under section 19 as inserted by item 28 of this Schedule’

On that basis, any direction previously issued by the Minister will remain in force, and will be regarded as a direction for the purposes of the Act.

3. As at 20 October 2016 the ASL allocated to the Office of Innovation and Science Australia (OISA) was 11 staff, in addition to the interim CEO. The ASL was distributed as follows:

- Project Team: 4 (2 x EL1, 1 x APS6, 1 x APS3-Graduate)
- Policy and Operations Team: 7 (1 x EL2, 3 x EL1, 1 x APS6, 1 x APS5, 1 x APS3-Graduate)

Note there were also 4 secondees on the Project Team (from the Department of the Prime Minister and Cabinet): 1 x EL2 and 3 x EL1.

The 2016-17 budget for OISA is \$1.83 million.

4.

- a) Yes. The Minister's office was consulted prior to the release of the Request for Tender.
- b) Ministerial approval of the request for tender was not sought.
- c) As at 14 November 2016 the tender process is still underway and this information cannot be disclosed.
- d) As at 14 November 2016 the tender process is still underway and this information cannot be disclosed
- e) The outcome of the Request for Tender process will be published on AusTender within 42 days of a contract being executed.
- f) The contract value will be published on AusTender within 42 days of the contract being executed.
- g) The Request for Tender details the services to be delivered and was made publicly available on AusTender on 12 August 2016.
- h) The Board recognised the importance of the 2030 Strategic Plan for Australia, and decided to seek consultancy services to ensure the plan is informed by the experience and strategies of leading innovation countries that have undertaken similar exercises successfully. Comparable countries have sought insights, analysis and expertise of consultancies in developing this type of broad strategic plan.