

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE – QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

Outcome: CSIRO
Output Group: CSIRO

DEST Question No. E202_06

Senator Carr provided in writing.

Question:

The Committee has been advised that CSIRO is largely financially self sufficient, and that "to date" has not been asked to return funds to CSIRO for other purposes.

Can you confirm that previously any surpluses from publishing operations have been retained by this unit and reinvested in publishing operations?

Can you advise whether this arrangement is likely to change in any way?

Can you confirm that a proposal is currently under consideration that CSIRO Publishing will be required to return funds back to CSIRO for other purposes?

If so:

- What are the precise details of any proposal to this end?
- Was advice sought from CSIRO publishing?
What was that advice?
Please provide copies of this advice?
- What amounts of money are under consideration?
- Who proposed this course of action?
- When will any decision be made?

Answer:

CSIRO has provided the following response.

CSIRO Publishing

CSIRO Publishing has operated within CSIRO for a number of years as a respected publisher of scientific journals, books and other material. In 1996, CSIRO decided to continue this arrangement but to require that CSIRO Publishing in effect operate as a separate business unit with two key principles to guide the business. It was asked to:

- operate within CSIRO on a commercial basis with its viability entirely dependent on the capacity to generate revenue and sufficient return on investment; and
- carry a national-interest publishing obligation on behalf of CSIRO (*Science & Industry Research Act 1949*) underwritten by agreements between CSIRO and Australian Academy of Science.

At this time (1996), CSIRO Publishing ran at a loss. Since its establishment as a separate business unit, its profitability has gradually increased and for the twelve months to June 2004 it generated a profit on operations of \$750K. The accumulated losses of the unit were repaid gradually during this period (from 1996) and the unit operated in profit from the beginning of the 2003/04 financial year.

As part of CSIRO, CSIRO Publishing's final operating result (profit or loss) and accumulated funds are part of the overall CSIRO financial position. The CSIRO Executive Team reviews the operating position and prospective budget for CSIRO Publishing annually. This review takes account of the need to invest in equipment or technology to sustain the business as an effective science publishing operation. It also takes into account the need for CSIRO Publishing to meet an agreed cost for the provision of organisational services. To the extent that CSIRO Publishing makes a profit, (after meeting the costs of any organisational services and consideration of retention of funds needed to reinvest in the business), this profit is available as part of the overall CSIRO funding position.

CSIRO is not currently considering a change to these arrangements.