

## EDUCATION, SCIENCE AND TRAINING

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

**Outcome:** CSIRO  
**Output Group:** CSIRO

#### DEST Question No. E204\_06

Senator Carr provided in writing.

#### Question:

How much external income generated each year can be attributed directly to the Flagships?

Please provide an amount and proportion of total external income for each year and for each Flagship since the Flagships have operated.

What were the projections of external income to be generated directly each year by each of the Flagships when they were initially announced?

Were these projections revised subsequently?

If so why, when were they revised and what were they revised to every time that revision occurred for each Flagship – please provide amount and proportion of total external income.

#### Answer:

CSIRO has provided the following response.

#### *Flagships – external income and projections*

The first year in which the Flagship initiative budgeted to earn external revenue was 2003/4. External revenue earned by the Flagships in that year was \$6.4m. The following table shows the breakdown of external revenue earned by Flagship for 2003/4, and budgeted external revenue by Flagship for 2004/5 and 2005/6. The table also shows the revenue as a proportion of total external revenue earned by, or budgeted for, CSIRO.

Flagship	2003/4		2004/5		2005/6	
	\$m	% of CSIRO	\$m	% of CSIRO	\$m	% of CSIRO
Energy Transformed	1.1	0.4	5.2	1.6	8.6	2.5
Food Futures	0.7	0.2	2.6	0.8	5.5	1.6
Light Metals	0.3	0.1	4.4	1.4	5.2	1.5
Preventative Health	0.2	0.1	3.3	1.0	2.8	0.8
Water for a Healthy Country	1.5	0.5	6.8	2.2	8.8	2.5
Wealth from Oceans	2.6	0.8	4.9	1.6	6.5	1.9
Total	6.4	2.0	27.1	8.6	37.4	10.7

In establishing the Flagships, CSIRO has focused more on achieving the desired outcomes rather than on inputs such as external revenue. When the Flagship initiative was initially announced, there were expectations that they would achieve greater levels of external revenue than they have achieved to date. The original projection for the Flagship initiative was that the Flagships would earn about \$450 million over the seven years 2004/5 – 2010/11. CSIRO's triennium funding agreement projected total external revenue from the Flagships (including funding from the private sector) at \$27.1m in 2004/5, \$61.8m in 2005/6 and \$81.8m in 2006/7.

Experience to date suggests that the Flagships are unlikely to achieve the levels of industry input originally anticipated. This is reflected in the outyear budgets included in the table above. Despite this, the Flagships have managed to achieve desired levels of annual progress to date and remain on track to achieve their national goals.