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**THE HON IAN MACFARLANE MP**  
**MINISTER FOR INDUSTRY AND SCIENCE**

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PARLIAMENT HOUSE  
CANBERRA ACT 2600

Mr James McDowell  
Chairman  
Australian Nuclear Science and Technology Organisation  
Locked Bag 2001  
KIRRAWEE DC NSW 2232

MS15-000789

Dear Mr McDowell

I am writing to outline my expectations of the Australian Nuclear Science and Technology Organisation (ANSTO) to assist with the Australian Government's commitment to the effective governance and performance of its agencies, guided by the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

In writing this Statement of Expectations, I acknowledge the functions of ANSTO as set out under the *Australian Nuclear Science and Technology Organisation Act 1987* (ANSTO Act). It is imperative that, in exercising its functions and meeting its legislated requirements, ANSTO takes into account the Government's broad policy framework and what I see as key priorities.

**Policy Context**

The Government's Industry Innovation and Competitiveness Agenda aims to achieve a lower cost, business friendly environment; a more skilled labour force; better economic infrastructure; and an industry policy that fosters entrepreneurship. As you are aware, the Government is committed to fostering a strong science and research base as a foundation for a competitive Australia. Science and research are central to driving innovation and technology development and for enhancing productivity and ensuring a strong future for Australian industry.

In this policy context, my expectations include:

- I expect that ANSTO will actively engage in specific actions and the overall spirit of the Boosting Commercial Returns from Research agenda, ensuring the Commonwealth's \$9.2 billion per year investment in research furthers the interests of the Australian community and maximises commercial returns. In particular, I ask that ANSTO work with my department to develop opportunities and options for increased engagement with the private sector where appropriate.
- The Government released a set of Science and Research Priorities on 26 May 2015. These priorities were developed by the Chief Scientist and considered by the Commonwealth Science Council (CSC). I expect that ANSTO will give consideration as to how it can best contribute to these research areas of national priority.

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- I expect ANSTO to contribute to the Government's Science, Technology, Engineering and Mathematics (STEM) agenda to increase Australia's STEM performance.
- The Government will respond to the Research Infrastructure Review. I expect ANSTO to provide input, through my department, to this process of policy development including on matters such as depreciation, governance, access management, long term planning and prioritisation, and sources of funding.
- With these policy priorities in mind, I expect ANSTO to continue to deliver world class research. As Australia's national home of nuclear expertise and nuclear science facilities, I expect ANSTO to conduct a broad spectrum of nuclear related research and development, and possess expert understanding of global developments across the nuclear fuel cycle. In doing so, it should both focus its scientific research on areas where it has or can establish a competitive edge, in terms of excellence and scale; and encourage the application and adoption of the research, especially where it can drive improvements in Australia's economic competitiveness.

### **Partnerships and collaboration**

- I expect ANSTO to assist the Government in protecting the national interest through ANSTO providing specialised nuclear advice to the Government, and acting as a means of liaison between Australia and other countries on matters relating to ANSTO's activities. I particularly look forward to ANSTO supporting me in my role as Deputy Chair to the Prime Minister of the CSC. I also encourage ANSTO's active engagement with the South Australian Royal Commission in the provision of factual information and analysis.
- I also expect ANSTO to engage with the Chief Scientist of Australia, including when a member of the National Science, Technology and Research Committee.
- In advancing the Government's agenda, I expect ANSTO to collaborate with universities, other publicly funded research agencies, medical research institutes and industry, to achieve common objectives.
  - In particular, ANSTO should not rely entirely on its own resources but should also use national and international collaboration to increase the capacity and responsiveness of the nation's overall ability to translate research into outcomes.
- I expect ANSTO to work in partnership with business to identify and develop the science to address industry problems and to underpin Australia's aim of increased competitiveness. The knowledge and ideas of its researchers can substantially improve the productivity of industry and businesses. ANSTO and business should therefore work together to continue growth in the knowledge-based sectors, with a particular emphasis on translating research into commercial outcomes. I expect ANSTO to engage with those industries where ANSTO's capability and intellectual property can help them to become globally competitive.

### **Science assets and staff**

- ANSTO should maximise use of its national scientific facilities by Australian and international researchers, including by encouraging industry access to relevant facilities.
  - In encouraging such access, ANSTO has a role to play in communicating and educating business about the benefits such infrastructure can provide.

- In particular, I expect ANSTO to work with my department in progressing the potential transfer of ownership of the Australian Synchrotron to ANSTO, and in developing its long term funding arrangements, while maintaining a robust merit-based open access regime.
- Consistent with your legislative functions, I expect ANSTO to promote careers in science and provide a career path for research and technical staff. In particular, ANSTO should invest in industry relevant research training. I also expect ANSTO to encourage engagement between researchers and business, including by facilitating mobility between ANSTO and other research organisations and industry.
- Research publications produced by ANSTO that arise from public funding should be openly available at no charge within twelve months of original publication.
  - This could be done by making publications accessible via the agency web site; by depositing the output to an organisation, institution or discipline electronic archive that provides open access; by publishing in open access journals; or by ensuring publications are available on a journal or publisher web site.
- I expect ANSTO to encourage its researchers to be entrepreneurial by providing training and appropriate incentives, together with an intellectual property and research translation framework to support realisation of commercialisation outcomes. I expect ANSTO to support risk taking, within the context of maintaining good governance and learning from failure.
- In particular, I expect that ANSTO will identify and take, where practicable, opportunities to support new companies and commercialise ANSTO discoveries and expertise.
- Building on ANSTO's core values and its commitment to increase accountability and performance through a focus on outcomes, I expect ANSTO to maximise its capacity to provide specialised services and products. This includes providing nuclear medicine to the Australian community, and increasingly to the global community.
  - In manufacturing nuclear medicines, I expect ANSTO to undertake this function efficiently, effectively and in line with best practice manufacturing principles; and
  - As part of ANSTO's financial accountability, I expect ANSTO to ensure that in pricing nuclear medicines, it reflects the costs of production, transportation and radioactive waste treatment, storage and management.

#### **Communication with my Office and the Department**

- I look forward to ANSTO working closely with the department. Aside from regular meetings between you and me, I expect there to be regular meetings between the senior executives of ANSTO and the department. I am keen to promote the scientific work of ANSTO and encourage you to work with my department in meeting this objective.
- I expect ANSTO to keep me and my department informed, in a timely and accurate way, of significant issues relating to the financial health, culture and work of the organisation. I also expect ANSTO to provide input and information to the department as required, ensuring that advice to my office and the Government canvasses relevant issues and sensitivities and reflects a portfolio response. I expect ANSTO to provide copies of ministerial briefings and correspondence to the relevant areas of my office and my department, in parallel. Further, I expect ANSTO to provide prior notice, to my office and my department, of significant announcements and events that are likely to attract media attention.

- In accordance with the PGPA Act, I expect ANSTO to develop an annual corporate plan and to provide that plan to me, as the responsible portfolio Minister, and the Minister for Finance. In developing the corporate plan, I expect the Board to consult with me and my department, and to take into account the priorities and policies of the Government especially as articulated in this Statement of Expectations.

I look forward to receiving your response outlining how the Board proposes to deliver on these priorities.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Macfarlane', written in a cursive style.

Ian Macfarlane