

## CHAIRMAN'S COMMENTARY

As I prepare this annual report a wonderful accolade has been presented to one of our top scientists. Dr Jeff Tallon, a key player in the superconductor project over the last decade and a hugely talented scientist, has received the Rutherford Medal for excellence in science. In its third year and previously awarded to a New Zealand-born scientist of international repute, Prof. Alan MacDiarmid, this award is the **most prestigious in science in this country.**



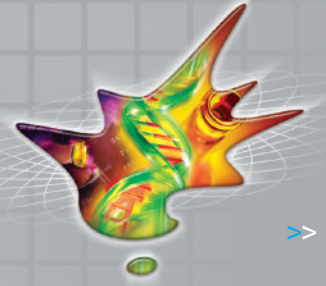
While we congratulate Jeff for this achievement, we should also recognise that good science does not just come from individuals. At Industrial Research we have a milieu of excellence, achievement and teamwork that creates success. I wish to extend my personal congratulations to the whole team at Industrial Research who make this and the many other achievements possible.

This last year has been one of enormous progress. Projects in areas such as carbohydrate chemistry, glycobiology and enzyme technology, and biopharmaceuticals have advanced rapidly. However, we can stand proudly at the end of a decade as a CRI and look back with pride on achievements right across all areas of science represented in Industrial Research.

This long view reveals an organisation that has travelled a great distance. As part of the DSIR, then through the last 10 years of progress, there is one name that has been constant and purposeful – Dr Geoff Page. He has carefully and deliberately built an organisation that has both a New Zealand and world view and is driven by an enormous amount of pride.

Geoff, as the founding chief executive of the Crown Research Institute, shaped much of the organisation we know today. His loss as chief executive was tempered by the fact that this restless and inquiring mind has moved onto a new challenge as managing director of Anutech, a subsidiary of the Australian National University in Canberra. We thank him for everything he has done for Industrial Research.

At the same time we welcome our new chief executive, Nigel Kirkpatrick. Cut from quite a different mould, he is just the person to lead us forward at this stage in our history with his international and commercial experience. I am sure you would join me in wishing him well.



The recent history of Industrial Research has been very exciting. With a supportive Minister behind us we have been encouraged to have a broader view of our role. Science has no borders, except those in our minds. Increasingly the organisation and its scientists have become part of international science. The emphasis has been on specialisation giving our scientists the opportunity to become genuinely international specialists.

With this development have come offshore opportunities and these are going to make an increasing contribution both to Industrial Research and to New Zealand. Embedded in this work is real value. Value that can be released into commercial applications taking Industrial Research forward into its next stage of development.

In looking forward we must also acknowledge the legacy of our history. Many of the projects that are leading the organisation today had their beginnings in the early days of the CRI and before.

The progress I have outlined here is beginning to show results. After four years of static performance, last year produced growth from domestic activity. A good reward for the effort that went into growing this business.

The company continues to operate in accordance with the purpose and principles for the operation of Crown Research Institutes as set out in sections 4 and 5 of the Crown Research Institutes Act 1992. The company has not deviated during the year from the operating principles of that Act.

The directors will be recommending that no dividend be paid for the 2001/02 financial year.

The directors are very much aware that as the company becomes more complex and engages in joint ventures and partnerships, accountability and financial integrity are vital. The board has formed an audit sub-committee to provide a focused overview of this area.

Finally, following a year of progress and achievement I would like to thank my fellow board members for their energetic support, and the staff of Industrial Research for continuing to build the enviable reputation this organisation now enjoys.

**Ross Armstrong**  
Chairman