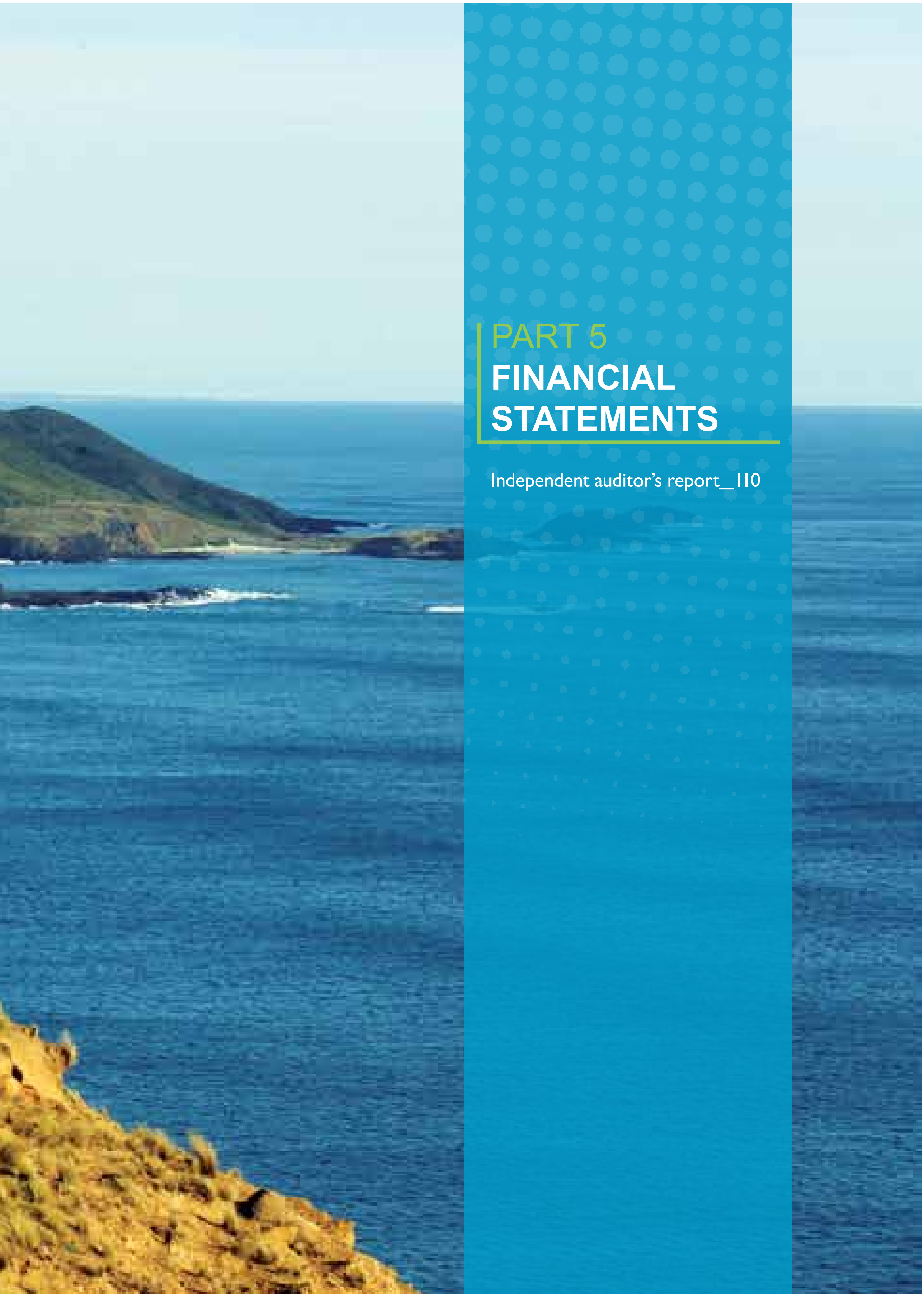

PART 5

FINANCIAL STATEMENTS

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Innovation, Industry, Science and Research

I have audited the accompanying financial statements of the Commonwealth Scientific and Industrial Research Organisation and consolidated entity for the year ended 30 June 2011, which comprise: a Statement by the Chairman of the Board, Chief Executive and Chief Financial Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; and Notes to and Forming Part of the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information. The consolidated entity comprises the Commonwealth Scientific and Industrial Research Organisation and the entities it controlled at the year's end, or from time to time during the financial year.

The Board Members' Responsibility for the Financial Statements

The members of Board of the Commonwealth Scientific and Industrial Research Organisation are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commonwealth Scientific and Industrial Research Organisation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not

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for the purpose of expressing an opinion on the effectiveness of the Commonwealth Scientific and Industrial Research Organisation's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Commonwealth Scientific and Industrial Research Organisation and the consolidated entity:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Commonwealth Scientific and Industrial Research Organisation's and the consolidated entity's financial positions as at 30 June 2011 and of their financial performance and cash flows for the year then ended.

Australian National Audit Office

John McCullough
Executive Director
Delegate of the Auditor-General

Canberra
24 August 2011

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION
STATEMENT BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997, as* amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the Board Members.

Simon McKeon

Simon McKeon
Chairman of the Board
24 August 2011

Megan Clark

Megan Clark
Chief Executive and Board Member
24 August 2011

Hazel Bennett

Hazel Bennett
Chief Finance Officer
24 August 2011

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2011

	Notes	Consolidated		CSIRO	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
EXPENSES					
Employee benefits	3.1	728 874	685 600	728 670	685 330
Supplier expenses	3.2	369 759	383 662	369 403	533 939
Depreciation and amortisation	3.3	101 728	95 659	101 728	95 659
Finance costs	3.4	3 266	3 463	3 266	3 463
Write-down and impairment of assets	3.5	25 601	4 476	25 601	4 476
Net foreign exchange losses	3.6	2 448	5 433	2 448	5 433
Net loss from sale of assets	3.7	-	4 813	-	4 813
Other expenses	3.8	-	31	-	-
Total expenses		**1 231 676**	**1 183 137**	**1 231 116**	**1 333 113**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4.1	409 676	377 919	418 077	380 422
Interest	4.2	15 174	10 422	8 729	7 222
Rental income	4.3	7 826	8 562	7 826	8 562
Royalties	4.4	29 237	42 985	29 237	42 985
Other revenues	4.5	30 766	15 587	31 457	16 149
Total own-source revenues		**492 679**	**455 475**	**495 326**	**455 340**
Gains					
Net gain from sale of assets	4.6	4 940	-	4 940	-
Realisation of fair value gain reserve	4.7	140	3 866	140	3 866
Total gains		**5 080**	**3 866**	**5 080**	**3 866**
Total own-source income		**497 759**	**459 341**	**500 406**	**459 206**
Net cost of service		**(733 917)**	**(723 796)**	**(730 710)**	**(873 907)**
Revenues from Government	4.8	720 415	704 884	720 415	704 884
Share of net operating surplus/(deficit) of joint venture accounted for using the equity method	8	(184)	30	(184)	30
Surplus on continuing operation		**720 231**	**704 914**	**720 231**	**704 914**
Surplus/(Deficit) attributable to the Australian Government		**(13 686)**	**(18 882)**	**(10 479)**	**(168 993)**
OTHER COMPREHENSIVE INCOME					
Increase/(decrease) in asset revaluation reserves	5.1	227 503	-	227 503	-
Increase/(decrease) in other reserves	5.2	14 352	16 754	14 352	16 754
Total other comprehensive income		**241 855**	**16 754**	**241 855**	**16 754**
Total comprehensive income/(loss) attributable to the Australian Government		**228 169**	**(2 128)**	**231 376**	**(152 239)**

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET
As at 30 June 2011

	Notes	Consolidated		CSIRO	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Financial Assets					
Cash and cash equivalents	6	308 478	231 293	161 490	132 722
Trade and other receivables	7	88 988	102 138	88 488	100 546
Investments accounted for using the equity method	8	389	573	389	573
Other investments	9	31 969	32 641	31 969	32 641
Total financial assets		**429 824**	**366 645**	**282 336**	**266 482**
Non-Financial Assets					
Land and buildings	10	1 598 603	1 366 747	1 598 603	1 366 747
Plant and equipment	11	381 145	330 317	381 145	330 317
Investment properties	12	50 950	50 665	50 950	50 665
Intangibles	13	28 346	26 806	28 346	26 806
Inventories	14	1 010	1 153	1 010	1 153
Other non-financial assets	15	40 862	42 037	40 862	42 037
Total non-financial assets		**2 100 916**	**1 817 725**	**2 100 916**	**1 817 725**
Properties held for sale	16	11 865	47 913	11 865	47 913
TOTAL ASSETS		**2 542 605**	**2 232 283**	**2 395 117**	**2 132 120**
LIABILITIES					
Payables					
Suppliers	17	84 195	93 742	83 750	93 742
Other payables	18	153 148	157 755	153 531	208 225
Total payables		**237 343**	**251 497**	**237 281**	**301 967**
Interest Bearing Liabilities					
Leases	19	65 200	69 256	65 200	69 256
Deposits	20	6 472	2 462	6 472	2 462
Total interest bearing liabilities		**71 672**	**71 718**	**71 672**	**71 718**
Provisions					
Employee provisions	21	205 564	189 111	205 564	189 111
Total provisions		**205 564**	**189 111**	**205 564**	**189 111**
TOTAL LIABILITIES		**514 579**	**512 326**	**514 517**	**562 796**
NET ASSETS		**2 028 026**	**1 719 957**	**1 880 600**	**1 569 324**
EQUITY					
Contributed equity		116 690	36 790	116 490	36 590
Assets revaluation reserves		1 321 215	1 093 712	1 321 215	1 093 712
Other reserves		775	(13 577)	775	(13 577)
Retained surplus		589 346	603 032	442 120	452 599
TOTAL EQUITY		**2 028 026**	**1 719 957**	**1 880 600**	**1 569 324**

The above Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY – CONSOLIDATED

For the period ended 30 June 2011

	Retained Surplus		Asset Revaluation Reserves		Other Reserves		Contributed Equity/Capital		Total Equity	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Opening balance	603 032	621 914	1 093 712	1 093 712	(13 577)	(30 331)	36 790	7 870	1 719 957	1 693 165
Comprehensive income										
Other comprehensive income	-	-	227 503	-	14 352	16 754	-	-	241 855	16 754
Surplus/(deficit) for the period	(13 686)	(18 882)	-	-	-	-	-	-	(13 686)	(18 882)
Total comprehensive income	(13 686)	(18 882)	227 503	-	14 352	16 754	-	-	228 169	(2 128)
Transactions with owners										
Contributions by owners										
Equity injection	-	-	-	-	-	-	79 900	28 920	79 900	28 920
Closing balance	589 346	603 032	1 321 215	1 093 712	775	(13 577)	116 690	36 790	2 028 026	1 719 957

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY – CSIRO

For the period ended 30 June 2011

	Retained Surplus		Asset Revaluation Reserves		Other Reserves		Contributed Equity/Capital		Total Equity	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Opening balance	452 599	621 592	1 093 712	1 093 712	(13 577)	(30 331)	36 590	7 670	1 569 324	1 692 643
Comprehensive income										
Other comprehensive income	-	-	227 503	-	14 352	16 754	-	-	241 855	16 754
Surplus/(deficit) for the period	(10 479)	(168 993)	-	-	-	-	-	-	(10 479)	(168 993)
Total comprehensive income	(10 479)	(168 993)	227 503	-	14 352	16 754	-	-	231 376	(152 239)
Transactions with owners										
Contributions by owners										
Equity injection	-	-	-	-	-	-	79 900	28 920	79 900	28 920
Closing balance	442 120	452 599	1 321 215	1 093 712	775	(13 577)	116 490	36 590	1 880 600	1 569 324

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED FINANCIAL STATEMENTS
CASH FLOW STATEMENT
For the period ended 30 June 2011

	Notes	Consolidated		CSIRO	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government		720 415	704 884	720 415	704 884
Goods and services		568 704	564 444	527 574	566 828
Interest		16 463	9 841	8 946	8 484
Net GST received		10 579	14 289	9 802	14 407
Deposits		3 794	-	3 794	-
Total cash received		**1 319 955**	**1 293 458**	**1 270 531**	**1 294 603**
Cash used					
Employees		709 218	680 354	708 816	679 163
Suppliers		478 303	453 760	477 699	554 136
Finance costs		3 094	3 275	3 093	3 275
Deposits		-	2 966	-	2 966
Total cash used		**1 190 615**	**1 140 355**	**1 189 608**	**1 239 540**
Net cash from operating activities	22	**129 340**	**153 103**	**80 923**	**55 063**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment		46 407	2 279	46 407	2 279
Proceeds from sale of equity investments and intellectual property		6 690	49 941	6 690	49 941
Total cash received		**53 097**	**52 220**	**53 097**	**52 220**
Cash used					
Purchase of property, plant and equipment		168 477	155 957	168 477	155 957
Purchase of equity investments		7 745	6 016	7 745	6 016
Other selling costs		4 874	735	4 874	735
Total cash used		**181 096**	**162 708**	**181 096**	**162 708**
Net cash used by investing activities		**(127 999)**	**(110 488)**	**(127 999)**	**(110 488)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity		79 900	28 920	79 900	28 920
Total cash received		**79 900**	**28 920**	**79 900**	**28 920**
Cash used					
Other cash used		4 056	4 929	4 056	4 929
Total cash used		**4 056**	**4 929**	**4 056**	**4 929**
Net cash from financing activities		**75 844**	**23 991**	**75 844**	**23 991**
Net increase/(decrease) in cash held		**77 185**	**66 606**	**28 768**	**(31 434)**
Cash and cash equivalents at the beginning of the reporting period		231 293	164 687	132 722	164 156
Cash and cash equivalents at end of the reporting period	6	**308 478**	**231 293**	**161 490**	**132 722**

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF COMMITMENTS
As at 30 June 2011

	Consolidated		CSIRO	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
BY TYPE				
Capital commitments payable				
Land and buildings[1]	12 010	14 095	12 010	14 095
Plant and equipment[2]	108 560	7 912	108 560	7 912
Investments[3]	5 471	2 907	5 471	2 907
Total capital commitments payable	**126 041**	**24 914**	**126 041**	**24 914**
Other commitments payable				
Operating leases[4]	277 994	308 164	277 994	308 164
Research and development commitments[5]	663 405	524 217	663 405	524 217
Other commitments[6]	38 597	28 813	38 597	28 813
Total other commitments payable	**979 996**	**861 194**	**979 996**	**861 194**
Commitments receivable				
Research and development commitments[5]	(411 454)	(357 519)	(411 454)	(357 519)
Other receivables[6]	(15 823)	(7 117)	(15 823)	(7 117)
Total commitments receivable	**(427 277)**	**(364 636)**	**(427 277)**	**(364 636)**
Net commitments by type	**678 760**	**521 472**	**678 760**	**521 472**
BY MATURITY				
Capital commitments payable				
One year or less	64 254	18 020	64 254	18 020
From one to five years	61 787	6 894	61 787	6 894
Total capital commitments payable	**126 041**	**24 914**	**126 041**	**24 914**
Operating lease commitments payable				
One year or less	32 655	34 864	32 655	34 864
From one to five years	123 309	127 765	123 309	127 765
Over five years	122 030	145 535	122 030	145 535
Total operating lease commitments payable	**277 994**	**308 164**	**277 994**	**308 164**
Other commitments payable				
One year or less	397 739	348 582	397 739	348 582
From one to five years	304 263	204 448	304 263	204 448
Total other commitments payable	**702 002**	**553 030**	**702 002**	**553 030**
Commitments receivable				
One year or less	(267 087)	(232 879)	(267 087)	(232 879)
From one to five years	(159 224)	(130 322)	(159 224)	(130 322)
Over five years	(966)	(1 435)	(966)	(1 435)
Total commitments receivable	**(427 277)**	**(364 636)**	**(427 277)**	**(364 636)**
Net commitments by maturity	**678 760**	**521 472**	**678 760**	**521 472**

SCHEDULE OF COMMITMENTS (cont)

1. Land and building commitments are outstanding contractual payments for buildings under construction.
2. Plant and equipment commitments are for the purchase of plant and equipment.
3. Investment commitments are for additional contributions to equity investments.
4. Operating leases are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office and scientific research accommodation	Lease payments are subject to an annual increase in accordance with the terms of agreement, e.g. upward movements in the Consumer Price Index. The accommodation leases are still current and each may be renewed at the Group's option following a once-off adjustment of rentals to current market levels.
Leases for motor vehicles	No contingent rentals exist. There are no purchase options available to the Group.
Leases for computer equipment	The lessor provides computer equipment designated as necessary in the supply contract for a general period of 2–3 years.

5. Research and development commitments payable and receivable are Agreements Equally Proportionately Unperformed for research and development contracts.
6. Other commitments payable and receivable are for services and property leases respectively.
7. Commitments are GST inclusive where relevant.

SCHEDULE OF CONTINGENCIES
As at 30 June 2011

	Consolidated		CSIRO	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Contingent assets				
Claims for damages or costs	-	-	-	-
Total contingent assets	**-**	**-**	**-**	**-**
Contingent liabilities				
Claims for damages or costs	300	250	300	250
CSIRO has a financial gurantee on a bank loan	17	-	17	-
Total contingent liabilities	**317**	**250**	**317**	**250**
Net contingent assets/(liabilities)	**(317)**	**(250)**	**(317)**	**(250)**

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 23: Contingent Liabilities and Assets, along with information on contingencies that cannot be quantified.

No contingent liabilities were reported by the CRCs in which the Group is a participant.

CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF ASSETS ADDITION – CSIRO
For the period ended 30 June 2011

The following non-financial non-current assets were added in 2010–11:

	Land $'000	Buildings $'000	Investment Properties $'000	Plant & equipment $'000	Intangibles $'000	Total $'000
By purchase - Government funding	-	64 001	-	94 622	4 656	**163 279**
By purchase - donated funds	-	-	-	-	-	**-**
By purchase - other	-	-	-	-	-	**-**
By finance lease	-	-	-	-	-	**-**
Assets received as gifts/donations	-	-	-	-	-	**-**
Total additions	**-**	**64 001**	**-**	**94 622**	**4 656**	**163 279**

The following non-financial non-current assets were added in 2009–10:

	Land $'000	Buildings $'000	Investment Properties $'000	Plant & equipment $'000	Intangibles $'000	Total $'000
By purchase - Government funding	145	79 313	-	72 594	3 276	**155 328**
By purchase - donated funds	-	-	-	-	-	**-**
By purchase - other	-	-	-	-	-	**-**
By finance lease	3 340	6 960	-	-	-	**10 300**
Assets received as gifts/donations	-	-	-	-	-	**-**
Total additions	**3 485**	**86 273**	**-**	**72 594**	**3 276**	**165 628**

CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2011

CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

Note 1 Summary of significant accounting policies

1.1 Objective of the Organisation and its Subsidiaries (the Group)

CSIRO is an Australian Government controlled entity. It is a research enterprise that aims to deliver great science and innovative solutions for industry, society and the environment.

CSIRO is structured to meet the following outcome:

Outcome: Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice.

The continued existence of CSIRO in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the CSIRO's administration and programs.

For the purposes of AASB 127 *Consolidated and Separate Financial Statements* consolidated accounts are prepared to include subsidiaries (refer Note 1.5).

1.2 Basis of Preparation of the Financial Statements

The financial statements are required by Clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are general purpose financial statements.

The Commonwealth Scientific and Industrial Research Organisation and the Group's Consolidated Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under Agreements Equally Proportionately Unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an Accounting Standard, income and expenses are recognised in the statement of comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, CSIRO has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of properties classified as 'properties held for sale' and 'investment properties' has been taken to be the market value of similar properties as determined by an independent valuer and CSIRO registered valuer.

- The fair value of land which will continue to be used for research activities, and buildings held for specialised purposes and where there is no readily available market price, fair value has been taken to be 'existing use value' and 'depreciated replacement cost' respectively, as determined by an independent valuer and CSIRO's registered valuer.

- The fair value of plant and equipment has been taken to be the 'depreciated replacement cost' as determined by an independent valuer.

- The fair value of investments in unlisted companies is based on the generally accepted valuation guidelines 'International Private Equity and Venture Capital Valuation Guidelines'.

- Gains or losses arising from changes in fair value are recognised in reserves or equity with the exception of impairment. Investments in listed companies have been assessed for impairment and the decline in fair value does not represent impairment. Hence, the total decline in fair value is recognised directly in reserves or equity.

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements
No Accounting Standard has been adopted earlier than the application date as stated in the standard.

CSIRO has reviewed new standards, revised standards and interpretations/amending standards issued prior to the signing of the financial statements and considers that none of these have had a material financial impact.

Future Australian Accounting Standard requirements
The following new standard was issued by the Australian Accounting Standards Board prior to the signing of the financial statements, which may have a financial impact on CSIRO for future reporting periods:

- AASB9 *Financial Instruments* released in December 2009 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the International Accounting Standards Board's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements are intended to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.The main changes in AASB 9 relevant to CSIRO are:

    - Financial assets are classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.

    - AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

    - Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

- The effective date for the application of AASB 9 is for annual reporting periods beginning on or after 1 January 2013. Early adoption of the standard is not permitted for CSIRO in 2010-11.

Other new standards, revised standards and interpretations/amending standards that were issued prior to the signing of the financial statements and are applicable to the future reporting period are not expected to have a future financial impact.

1.5 Consolidation

AASB 127 (Consolidated and Separate Financial Statements) requires a parent entity that is in a group to present consolidated financial statements that consolidate its investments in controlled entities in accordance with AASB 127. The parent and controlled entities apply consistent accounting policies and the effects of all transactions and balances between the entities are eliminated in full. The financial statements of the controlled entities are prepared for the same reporting period as the parent entity.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by CSIRO as at 30 June 2011 and the results of the controlled entities for the year then ended.

1.6 Revenue

Revenue from sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer
- the entity retains no managerial involvement or effective control over the goods
- the revenue and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the total costs of the transaction. The balances of contract research and development activities in progress are accounted as either contract research work in progress (Note 15), being the gross unbilled amount expected to be collected from clients for contract research and services performed as at 30 June 2011, or contract research revenue received in advance (Note 18), where revenue for contract research and services received and/or billed exceeded revenue earned.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed as at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement.*

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant royalty agreements.

Revenue from legal settlements related to intellectual property is recognised on an accrual basis in accordance with the substance of the relevant licensing agreements.

Revenues from Government
Funding received from the Australian Government Department of Innovation, Industry, Science and Research (appropriated to CSIRO as a CAC Act body payment item) is recognised as Revenue from Government unless they are in the nature of an equity injection or a loan.

1.7 Gains

Resources Received Free of Charge
Resources received free of charge are recognised as revenue when and only when the fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements.

Sale of Assets
Gains from disposal of non–current assets are recognised when control of the asset has passed to the buyer.

1.8 Transactions with the Government as Owners

Equity Injections
Amounts that are designated as equity injections for a year are recognised directly in contributed equity in that year.

1.9 Research and Development Expenditure and Intellectual Property

All research and development costs, including costs associated with protecting intellectual property (e.g. patents and trademarks), are expensed as incurred.

1.10 Employee Benefits

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rate expected to be paid on settlement of the liability.

Other long-term employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave
The liability for employee benefits includes provisions for annual leave, long service leave and severance payments. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability at 30 June 2011 for long service leave has been determined by the short hand method and reference to the work of an actuary. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy
Provision is made for separation and redundancy benefit payments. CSIRO recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation
Employees of CSIRO are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap). The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

CSIRO makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Group's employees. CSIRO accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.11 Workers' Compensation

CSIRO's workers' compensation liability is covered by the premium paid to the Commission for the Safety, Rehabilitation and Compensation of Commonwealth Employees 'Comcare' and no additional provision for liability is required.

1.12 Insurance

As part of its risk management strategy, CSIRO has insured for risks through the Australian Government's insurable risk managed fund 'Comcover'.

1.13 Cash

Cash and cash equivalents includes cash on hand and demand deposits in bank accounts with an original maturity of four months or less that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Cash is recognised at its nominal amount.

1.14 Financial Assets

CSIRO classifies its financial assets in the following categories:

- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and the purpose of financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

Effective Interest Method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

Available-for-Sale Financial Assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in the operating result for the period.

CSIRO has investments in a number of unlisted start-up companies over which it has significant influence or control. These companies have been established for the purpose of commercialisation of CSIRO's intellectual property.

CSIRO also has some investments in companies which have since initial start-up been sold to third parties and subsequently listed on the Australian Stock Exchange.

CSIRO's investments in listed and unlisted companies are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*, and have been designated as 'available-for-sale' financial assets.

Fair value of investments in listed companies
The fair value of investments in listed companies has been determined by reference to their closing bid price at the reporting date.

Fair value of investments in unlisted companies
For investments in unlisted companies where there is no readily available market pricing for the equity instruments, the fair value has been determined by applying valuation techniques in line with the generally accepted valuation guidelines 'International Private Equity and Venture Capital Valuation Guidelines (AVCAL)'.

Where recent transactions for the unlisted companies' equity have taken place, these equity transaction prices are used to value CSIRO's investment.

For unlisted companies that have not had any recent equity transactions, other AVCAL valuation techniques are used such as discounted cash flows and share of net assets.

In addition, independent valuations are performed as at reporting date for unlisted companies that are considered to have a material impact on CSIRO's investment portfolio.

Investments in special purpose entities are either valued at cost or share of net assets since a reliable estimate of fair value cannot be established. These entities have been set up primarily to gain access to research facilities/networks, or to provide services to owners. Hence, there is no 'active market' for these equity investments. CSIRO is a long-term shareholder and is unlikely to dispose of its interest in these investments.

Loans and Receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market, are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets
Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost – if there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

Available-for-sale financial assets – if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the statement of comprehensive income.

Available-for-sale financial assets (held at cost) – if there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.15 Financial liabilities
Financial liabilities are recognised and derecognised upon trade date.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.16 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost or for nominal considerations are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.17 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than $3 000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations

Following initial recognition at cost, property, plant and equipment, including assets under finance leases are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure the carrying amount of assets do not differ materially from the assets' fair value as at reporting date. The regularity of valuation depends upon the volatility of movements in the market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under asset revaluation reserve, except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly through surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Fair value for each class of asset is determined as follows:

- Land, which will continue to be used for research activity, is valued by independent valuers at 'existing use value'. Existing use contemplates the continued use of the asset for the same application as at the date of valuation.

- Buildings and leasehold improvements, which will continue to be used for research activities, are valued by the Group's registered valuer at their depreciated replacement cost using current building prices to arrive at current gross replacement cost less accumulated depreciation having regard to the age, condition and suitability for research and development activities. Building valuations include plant, fit-outs, fixtures and fittings, which form an integral part of buildings.

- Properties held or identified for sale and investment properties are valued by independent valuers as at reporting date.

- Property, plant and equipment which are purchased from contract research funds and where the control and subsequent sale proceeds are refunded to contributors under the terms of the agreements, are expensed during the year of purchase. Separate records for these assets are maintained and disclosed in Note 25.

Depreciation and Amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease. Land is not depreciated.

Depreciation/amortisation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2011	2010
Buildings on freehold land	30 to 50 years	30 to 50 years
Leasehold improvements	Lease term	Lease term
Passenger vehicles	7 years	7 years
Agricultural and transport equipment	3 to 20 years	3 to 20 years
Computing equipment	2 to 5 years	2 to 5 years
Scientific equipment	5 to 20 years	5 to 20 years
Furniture and office equipment	5 to 15 years	5 to 15 years
Workshop equipment	20 to 25 years	20 to 25 years
Research vessel	25 years	25 years
Australia Telescope	15 to 58 years	15 to 58 years

Impairment
All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.18 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market price, adjusted if necessary, for any difference in nature, location or condition of the specific asset at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

Investment properties are derecognised either when they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on disposal of an investment property are recognised in profit or loss in the year of disposal.

1.19 Intangibles

Intangibles comprise internally developed and acquired software for internal use. These assets are carried at cost, less accumulated amortisation and impairment losses, except where the estimated cost of software is less than the $250 000 threshold and expensed in the year of acquisition.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of software are 2 to 10 years (2009–10: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

1.20 Inventories

Inventories held for sale represent books, CD-ROMs and videos of publishing and media products. They are valued at the lower of cost and net realisable value.

1.21 Consumable Stores

Stocks of consumable stores, which are not held for resale, are expensed in the year of purchase. These stores mainly consist of fuel and lubricants, chemical supplies, maintenance materials and stationery. The total value is not considered material in terms of total expenditures or total assets.

1.22 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.23 Foreign Currency Transactions

Transactions denominated in a foreign currency are translated at the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates prevailing at reporting date. Foreign currency translation gains and losses are recognised in the operating result. The Group has not entered into specific forward exchange contracts during the reporting period.

1.24 Taxation/Competitive Neutrality

Taxation
In accordance with Section 53 of the *Science and Industry Research Act 1949*, CSIRO is exempt from all forms of Australian taxation except fringe benefits tax (FBT) and the goods and services tax (GST). The Organisation pays applicable taxes in overseas countries.

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office
- for receivables and payables.

The Science Industry Endowment Fund is exempt from income tax in Australia. WLAN Services Pty Ltd is subject to all applicable taxes in Australia.

Competitive neutrality
The Australian Government *Competitive Neutrality Guidelines for Managers* require government bodies to operate with no net competitive advantages over private sector competitors. CSIRO's competitive neutrality policy is applied to consulting and services. Neutrality is achieved by incorporating tax equivalence and rate of return components in pricing of these services.

1.25 Joint Ventures

Joint venture operations–Cooperative Research Centres (CRCs)
The proportionate interests in CRCs regarded as joint venture operations are disclosed in the financial statements under appropriate headings. Their primary source of funding is from the Australian Government and funding is progressively drawn down over the life of the CRCs and distributed to participants, including CSIRO and universities, for research and development purposes. CSIRO's contributions to the CRCs are expensed as incurred and funds received from CRCs are recognised as revenue to the extent that work has been performed in the income statement. CSIRO is a participant in 22 CRCs and the names of these CRCs are disclosed in Note 24.

Joint venture entities–unincorporated (Refer Note 8)
Murray-Darling Freshwater Research Centre (MDFRC) – The Group's 33.3% interest in the MDFRC is accounted for using the equity method.

1.26 Borrowing Costs

All borrowing costs are expensed as incurred.

1.27 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.28 Properties held for sale

Properties which are expected to be recovered primarily through sale rather than through continuing use are classified as 'properties held for sale'. Immediately before classification, the properties are remeasured in accordance with the Group's accounting policies. Thereafter, at reporting date the properties are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the statement of comprehensive income.

1.29 Presentation of financial statements

The Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Note 2 Events after the balance sheet date

At the time of completion of this note, the Group is not aware of any significant events occurring after the reporting date.

	Notes	Consolidated		CSIRO	
		2011	2010	2011	2010
Note 3 Expenses		$'000	$'000	$'000	$'000
3.1 Employee benefits					
Wages and salaries		534 725	516 876	534 534	516 615
Superannuation – defined contribution plans		82 559	80 974	82 546	80 965
Leave and other entitlements		97 827	78 098	97 827	78 098
Separation and redundancies		13 763	9 652	13 763	9 652
Total employee benefits		**728 874**	**685 600**	**728 670**	**685 330**
3.2 Suppliers					
Goods and services					
Goods		118 737	101 570	118 737	101 570
Services		234 989	266 930	234 635	417 207
Total goods and services		**353 726**	**368 500**	**353 372**	**518 777**
Goods and services are made up of:					
Provision of goods – related entities		-	-	-	-
Provision of goods – external parties		118 737	101 570	118 737	101 570
Rendering of services – related entities		24 488	22 181	24 488	172 174
Rendering of services – external parties		210 501	244 749	210 147	245 033
Total goods and services		**353 726**	**368 500**	**353 372**	**518 777**
Other Supplier expenses					
Operating lease rentals:					
Minimum lease payments		14 264	13 534	14 264	13 534
Workers compensation expenses		1 769	1 628	1 767	1 628
Total other supplier expenses		**16 033**	**15 162**	**16 031**	**15 162**
Total supplier expenses		**369 759**	**383 662**	**369 403**	**533 939**
3.3 Depreciation and amortisation					
Depreciation					
Plant and equipment		41 706	38 801	41 706	38 801
Buildings and leasehold improvements		56 588	53 875	56 588	53 875
Total depreciation		**98 294**	**92 676**	**98 294**	**92 676**
Amortisation					
Intangibles – computer software		3 434	2 983	3 434	2 983
Total depreciation and amortisation		**101 728**	**95 659**	**101 728**	**95 659**
3.4 Finance costs					
Finance leases		**3 266**	**3 463**	**3 266**	**3 463**

Note 3 **Expenses** (cont)	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
3.5 Write-down and impairment of assets					
Assets write downs and impairments from:					
Bad debts		87	173	87	173
Increase/(decrease) in allowance for impairment		(34)	(589)	(34)	(589)
Impairment of available for sale investments		7 825	3 472	7 825	3 472
Net impairment loss on revaluation of properties held for sale and investment properties		4 683	1 420	4 683	1 420
Net realisation of fair value loss reserve on available for sale investments		13 040	-	13 040	-
Total write-down and impairment of assets		**25 601**	**4 476**	**25 601**	**4 476**
3.6 Net foreign exchange losses					
Non-speculative		**2 448**	**5 433**	**2 448**	**5 433**
3.7 Net loss from sale of assets					
Equity investment and intellectual property					
Proceeds from sale of equity investments		-	47 791	-	47 791
Proceeds from sale of intellectual property		-	2 120	-	2 120
Total proceed		-	49 911	-	49 911
Carrying value of assets sold		-	(52 977)	-	(52 977)
Selling expenses		-	(445)	-	(445)
Net loss from equity investment and intellectual property		**-**	**3 511**	**-**	**3 511**
Land and Buildings					
Proceeds from sale		-	1 364	-	1 364
Carrying value of assets sold		-	(1 564)	-	(1 564)
Selling expenses		-	(280)	-	(280)
Net loss from sale of land and buildings		**-**	**480**	**-**	**480**
Plant and equipment					
Proceeds from sale		-	771	-	771
Carrying value of assets sold		-	(1 583)	-	(1 583)
Selling expenses		-	(10)	-	(10)
Net loss from sale of plant and equipment		**-**	822	**-**	822
Total net loss from sale of assets		**-**	**4 813**	**-**	**4 813**
3.8 Other expenses					
Other expenses		-	31	-	-
Total other expenses		**-**	**31**	**-**	**-**

	Notes	Consolidated		CSIRO	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Note 4 Income					
4.1 Sale of goods and rendering of services					
Provision of goods – related entities		-	-	-	-
Provision of goods – external parties		13 379	12 410	13 379	12 410
Total sale of goods		**13 379**	**12 410**	**13 379**	**12 410**
Rendering of services – related entities		141 221	148 355	141 221	150 858
Rendering of services – external parties		255 076	217 154	263 477	217 154
Total rendering of services		**396 297**	**365 509**	**404 698**	**368 012**
Total sale of goods and rendering of services		**409 676**	**377 919**	**418 077**	**380 422**
4.2 Interest					
Bank and term deposits		**15 174**	**10 422**	**8 729**	**7 222**
4.3 Rents					
Rental income		**7 826**	**8 562**	**7 826**	**8 562**
4.4 Royalties					
Royalties		**29 237**	**42 985**	**29 237**	**42 985**
4.5 Other revenues					
Vehicle contributions – staff		-	1	-	1
Sale of primary produce		1 333	986	1 333	986
Donation		524	103	524	103
Capital contributions		2 149	1 069	2 149	1 069
Education programs and subscriptions		3 400	3 510	3 400	3 510
Other		23 360	9 918	24 051	10 480
Total other revenues		**30 766**	**15 587**	**31 457**	**16 149**

Note 4 **Income** (cont)	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
4.6 Net gain from sale assets					
Equity investment and intellectual property					
Proceeds from sale of equity investments		3 775	-	3 775	-
Proceeds from sale of intellectual property		2 915	-	2 915	-
Total proceeds		6 690	-	6 690	-
Carrying value of assets sold		(1 860)	-	(1 860)	-
Selling expenses		(8)	-	(8)	-
Net gain from equity investment and intellectual property		**4 822**	**-**	**4 822**	**-**
Land and Buildings					
Proceeds from sale		40 204	-	40 204	-
Carying value of assets sold		(34 140)	-	(34 140)	-
Selling expenses		(4 854)	-	(4 854)	-
Net gain from sale of land and buildings		**1 210**	**-**	**1 210**	**-**
Plant and equipment					
Proceeds from sale		692	-	692	-
Carying value of assets sold		(1 772)	-	(1 772)	-
Selling expenses		(12)	-	(12)	-
Net gain from sale of plant and equipment		**(1 092)**	**-**	**(1 092)**	**-**
Total net gain from sale of assets		**4 940**	**-**	**4 940**	**-**
4.7 Other gains					
Net realisation of fair value gain reserve on available for sale investments		**140**	**3 866**	**140**	**3 866**
4.8 Revenue from Government					
Department of Innovation, Industry, Science and Research					
CAC Act body payment item		**720 415**	**704 884**	**720 415**	**704 884**

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 5 Other comprehensive income					
5.1 Changes in asset revaluation reserves					
Revaluation of land and buildings		227 503	-	227 503	-
Net decrease in assets revaluation reserve		**227 503**	**-**	**227 503**	**-**
5.2 Change in other reserve					
Net change in fair value gain/(loss) of available for sale investments		1 452	16 754	1 452	16 754
Realisation of fair value loss on sale and impairment of available for sale investment		12 900	-	12 900	-
Net increase/(decrease) in other reserve		**14 352**	**16 754**	**14 352**	**16 754**
Note 6 Cash and cash equivalents					
Cash at bank and on hand		36 874	23 053	36 490	17 722
Term deposits		271 604	208 240	125 000	115 000
Total cash and cash equivalents		**308 478**	**231 293**	**161 490**	**132 722**
Total cash includes deposits held on behalf of third parties totalling $6.5 million (2010 $2.5 million).	20				
Note 7 Trade and other receivables					
Goods and services:					
Goods and services – related entities		17 504	17 504	23 017	17 504
Goods and services – external entities		63 287	61 087	57 774	61 087
Total receivable for goods and services		**80 791**	**78 591**	**80 791**	**78 591**
Other receivables:					
GST receivable from the ATO		-	726	-	429
Interest		1 351	2 640	569	786
Other receivables		7 833	21 202	8 115	21 761
Total other receivables (gross)		**9 184**	**24 568**	**8 684**	**22 976**
Total trade and other receivables (gross)		**89 975**	**103 159**	**89 475**	**101 567**
Less impairment allowance:					
Goods and services		(987)	(1 021)	(987)	(1 021)
Total trade and other receivables (net)		**88 988**	**102 138**	**88 488**	**100 546**
Receivables are expected to be recovered in:					
No more than 12 months		88 988	102 138	88 488	100 546
Total trade and other receivables (net)		**88 988**	**102 138**	**88 488**	**100 546**

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 7 Trade and other receivables (cont)					
Receivables are aged as follows:					
Not overdue		77 029	98 678	76 529	97 086
Overdue by:					
0 to 30 days		10 435	2 390	10 435	2 390
31 to 60 days		901	691	901	691
61 to 90 days		553	375	553	375
More than 90 days		1 057	1 025	1 057	1 025
Total receivables (gross)		**89 975**	**103 159**	**89 475**	**101 567**
The impairment allowance is aged as follows:					
Overdue by:					
More than 90 days		987	1 021	987	1 021
Total impairment allowance		**987**	**1 021**	**987**	**1 021**

Note 7 Trade and other receivables (cont)

Reconciliation of impairment allowance:	**Consolidated Goods and services $'000**	**CSIRO Goods and services $'000**
Movements in relation to 2011		
Opening balance	1 021	1 021
Decrease recognised in net deficit	(34)	(34)
Closing balance	**987**	**987**
Movements in relation to 2010		
Opening balance	1 610	1 610
Decrease recognised in net deficit	(589)	(589)
Closing balance	**1 021**	**1 021**

	Consolidated		CSIRO	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Note 8 Investments accounted for using the equity method				
Murray-Darling Fresh Water Research Centre	**389**	**573**	**389**	**573**

Movements of the carrying amount of investment in the MDFRC joint venture entity are as follows:

	2011	2010	2011	2010
Carrying amount at beginning of the financial year	573	543	573	543
Share of MDFRC's net operating surplus/(deficit) for the year	(85)	10	(85)	10
Adjustment based on (unaudited)/audited accounts	(99)	20	(99)	20
Adjusted share of MDFRC's net operating surplus/(deficit) for the year	(184)	30	(184)	30
Carrying amount of investment in MDFRC as at 30 June	**389**	**573**	**389**	**573**

Murray-Darling Fresh Water Research Centre (MDFRC)

The Murray-Darling Fresh Water Research Centre is a collaborative joint venture for the purpose of Murray-Darling Basin Freshwater Research and the generation of knowledge required to ensure the sustainable management of water and associated environmental resources of the Murray-Darling Basin.

CSIRO's 33.3% (2010 36.59%) investment in MDFRC is accounted for using the equity method. In accordance with the joint venture agreement, the operating surplus/ (deficit) was shared by participants in the joint venture. CSIRO's share of MDFRC's operating deficit was $84 631(2010 $9 977 surplus).

Note 8 Investments accounted for using the Equity Method (cont)

The following is a summary of the financial performance and position of MDFRC:

	Total Revenues	Net Operating deficit	Total Assets	Total Liabilities	Net Assets
	$'000	$'000	$'000	$'000	$'000
2011					
MDFRC (unaudited)	7 552	254	3 275	2 106	1 169
2010					
MDFRC (audited)	6 199	116	4 364	2 941	1 423

No indicators of impairment were found for investments accounted for using the equity method.
No investments accounted for using the equity method are expected to be sold within the next 12 months.

	Notes	Consolidated		CSIRO	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Note 9 Other investments					
At fair value classified as available for sale investments.	1.14				
Shares (or equity investments)					
Listed companies		10 461	12 935	10 461	12 935
Unlisted companies		21 508	19 706	21 508	19 706
Total investments		**31 969**	**32 641**	**31 969**	**32 641**

All other investments are expected to be recovered in more than 12 months.

Available for sale investments were impaired by $13 040 303 (2010: $3 472 363)

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 10 Land and buildings					
Freehold land – fair value		**386 572**	**369 587**	**386 572**	**369 587**
Buildings on freehold land					
– fair value		1 666 384	1 720 189	1 666 384	1 720 189
– accumulated depreciation		(887 366)	(1 097 061)	(887 366)	(1 097 061)
		779 018	623 128	779 018	623 128
– work in progress		14 336	33 957	14 336	33 957
Total buildings on freehold land		**793 354**	**657 085**	**793 354**	**657 085**
Leasehold improvements					
– fair value		351 503	261 475	351 503	261 475
– accumulated depreciation		(93 638)	(93 974)	(93 638)	(93 974)
		257 865	167 501	257 865	167 501
– work in progress		28 789	61 898	28 789	61 898
Total leasehold improvements		**286 654**	**229 399**	**286 654**	**229 399**
Buildings under finance lease					
– fair value		188 890	176 004	188 890	176 004
– accumulated amortisation		(56 867)	(65 328)	(56 867)	(65 328)
Total buildings under finance lease		**132 023**	**110 676**	**132 023**	**110 676**
Total land and buildings		**1 598 603**	**1 366 747**	**1 598 603**	**1 366 747**

All revaluations are conducted in accordance with the revaluation policy stated in Note 1. Land and building were revalued as at 30 June 2011 by a panel of independent valuers. The primary valuer was CB Richard Ellis.

No indicators of impairment were found for land and buildings.

No land or buildings are expected to be sold or disposed of within the next 12 months.

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 11 Plant and equipment					
Plant and equipment					
– fair value		766 377	718 344	766 377	718 344
– accumulated depreciation		(463 739)	(448 556)	(463 739)	(448 556)
		302 638	269 788	302 638	269 788
– work in progress		61 263	54 400	61 263	54 400
Total plant and equipment		**363 901**	**324 188**	**363 901**	**324 188**
Research vessel					
– fair value		15 178	15 461	15 178	15 461
– accumulated depreciation		(11 458)	(11 273)	(11 458)	(11 273)
		3 720	4 188	3 720	4 188
– work in progress		13 320	1 407	13 320	1 407
Total research vessel		**17 040**	**5 595**	**17 040**	**5 595**
Plant and equipment under finance lease					
– fair value		1 890	2 335	1 890	2 335
– accumulated amortisation		(1 686)	(1 801)	(1 686)	(1 801)
Total plant and equipment under finance lease		**204**	**534**	**204**	**534**
Total plant and equipment		**381 145**	**330 317**	**381 145**	**330 317**

All revaluations are conducted in accordance with the revaluation policy stated in Note 1. Plant and equipment were revalued as at 30 June 2009 by the Australian Valuation Office.

No indicators of impairment were found for plant and equipment.

No plant and equipment is expected to be sold or disposed within the next 12 months.

Notes 10 – 11 Land and buildings and plant and equipment (cont)

(a) Reconciliation of the opening and closing balances of Land and Buildings, Plant and Equipment (2010–11) – Consolidated

	Land	Buildings	Total Land and Buildings	Plant and Equipment	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2010					
Gross book value	369 587	2 253 523	2 623 110	791 947	3 415 057
Accumulated depreciation and impairment	-	(1 256 363)	(1 256 363)	(461 630)	(1 717 993)
Net book value as at 1 July 2010	**369 587**	**997 160**	**1 366 747**	**330 317**	**1 697 064**
Additions:	-	64 001	64 001	94 622	158 623
Reclassification	-	-	-	(318)	(318)
Revaluation and impairments	18 085	209 418	227 503	-	227 503
Depreciation expense	-	(56 588)	(56 588)	(41 706)	(98 294)
Disposals	(1 100)	(1960)	(3 060)	(1 770)	(4 830)
Net book value 30 June 2011	**386 572**	**1 212 031**	**1 598 603**	**381 145**	**1 979 748**
Net book value as of 30 June 2011 represented by:					
Gross book value	386 572	2 249 902	2 636 474	858 028	3 494 502
Accumulated depreciation and impairment	-	(1 037 871)	(1 037 871)	(476 883)	(1 514 754)
Net book value as of 30 June 2011	**386 572**	**1 212 031**	**1 598 603**	**381 145**	**1 979 748**

Notes 10 – 11 Land and buildings and plant and equipment (cont)

(a) Reconciliation of the opening and closing balances of Land and Buildings, Plant and Equipment (2009–10) – Consolidated

	Land	Buildings	Total Land and Buildings	Plant and Equipment	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2009					
Gross book value	367 102	2 171 644	2 538 746	725 857	3 264 603
Accumulated depreciation and impairment	-	(1 205 509)	(1 205 509)	(427 750)	(1 633 259)
Net book value as at 1 July 2009	**367 102**	**966 135**	**1 333 237**	**298 107**	**1 631 344**
Additions:	3 485	86 273	89 758	72 594	162 352
Reclassification	(1 000)	(1 284)	(2 284)	-	(2 284)
Depreciation expense	-	(53 875)	(53 875)	(38 801)	(92 676)
Disposals	-	(89)	(89)	(1 583)	(1 672)
Net book value 30 June 2010	**369 587**	**997 160**	**1 366 747**	**330 317**	**1 697 064**
Net book value as of 30 June 2010 represented by:					
Gross book value	369 587	2 253 523	2 623 110	791 947	3 415 057
Accumulated depreciation and impairment	-	(1 256 363)	(1 256 363)	(461 630)	(1 717 993)
Net book value as of 30 June 2010	**369 587**	**997 160**	**1 366 747**	**330 317**	**1 697 064**

	Notes	Consolidated		CSIRO	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Note 12 Investment properties					
Investment properties – fair value	1.18	**50 950**	**50 665**	**50 950**	**50 665**
Reconciliation of the opening and closing balances of investment property					
As at 1 July		50 665	41 340	50 665	41 340
Net gain from fair value adjustments		285	3 625	285	3 625
Reclassification from/(to) property held for sale		-	5 700	-	5 700
Net book value as at 30 June		**50 950**	**50 665**	**50 950**	**50 665**

All revaluations are conducted in accordance with the revaluation policy stated in Note 1. Land and building were revalued as at 30 June 2011 by a panel of independent valuers. The primary valuer was CB Richard Ellis.
As at 30 June 2011 investment properties comprise properties that are leased to third parties. The lease contains an initial non-cancellable period of ten years. No contingent rents are charged. Rental income from investment properties was $2.1 million (2010 $2.4 million). No separate record was maintained on direct operating expenses including repairs and maintenance for those investment properties. Fair value gain on investment properties for the year was $285 000.

No indicators of impairment were found for investment properties.

Note 13 Intangibles

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Computer software	1.19				
Internally developed – in use		35 337	28 619	35 337	28 619
Internally developed – in progress		3 015	4 862	3 015	4 862
		38 352	**33 481**	**38 352**	**33 481**
Accumulated amortisation		(10 006)	(6 675)	(10 006)	(6 675)
Total intangibles		**28 346**	**26 806**	**28 346**	**26 806**

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 13 Intangibles (cont)

(a) Reconciliation of opening and closing balances of Intangibles (2010–11) – Consolidated

	Internally developed software $'000	Total $'000
As at 1 July 2010		
Gross book value	33 481	33 481
Accumulated amortisation and impairment	(6 675)	(6 675)
Net book value 1 July 2010	**26 806**	**26 806**
Additions by purchase or internally developed	4 656	4 656
Reclassification	318	318
Amortisation	(3 434)	(3 434)
Net book value as of 30 June 2011	**28 346**	**28 346**
Net book value as of 30 June 2011 represented by:		
Gross book value	38 352	38 352
Accumulated amortisation and impairment	(10 006)	(10 006)
Net book value as of 30 June 2011 represented by:	**28 346**	**28 346**

(a) Reconciliation of opening and closing balances of Intangibles (2009–10) – Consolidated

	Internally developed software $'000	Acquired software $'000	Total $'000
As at 1 July 2009			
Gross book value	29 193	243	29 436
Accumulated amortisation and impairment	(2 680)	(243)	(2 923)
Net book value 1 July 2009	**26 513**	**-**	**26 513**
Additions by purchase or internally developed	3 276	-	3 276
Reclassification	-	-	-
Amortisation	(2 983)	-	(2 983)
Net book value as of 30 June 2010	**26 806**	-	**26 806**
Net book value as of 30 June 2010 represented by:			
Gross book value	33 481	-	33 481
Accumulated amortisation and impairment	(6 675)	-	(6 675)
Net book value as of 30 June 2010	**26 806**	-	**26 806**

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 14 Inventories held for sale					
Books and media products – at lower of cost and net realisable value	1.20	**1 010**	**1 153**	**1 010**	**1 153**

No items of inventory were recognised at fair value less cost to sell.

All inventory is expected to be sold in the next 12 months.

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 15 Other non-financial assets					
Contract research work in progress – at cost	1.6	32 272	30 398	32 272	30 398
Other prepayments		8 590	11 639	8 590	11 639
Total other non-financial assets		**40 862**	**42 037**	**40 862**	**42 037**

No indicators of impairment were found for other non–financial assets.

All other non-financial assets are expected to be recovered in no more than 12 months.

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 16 Properties held for sale					
Properties held for sale	1.28	**11 865**	**47 913**	**11 865**	**47 913**
Reconciliation of the opening and closing balances of properties held for sale					
As at 1 July		47 913	56 760	47 913	56 760
Additions		-	1 089	-	1 089
Reclassification		-	(3 417)	-	(3 417)
Disposals		(31 080)	(1 474)	(31 080)	(1 474)
Impairment loss on revaluation		(4 968)	(5 045)	(4 968)	(5 045)
Net book value as at 30 June		**11 865**	**47 913**	**11 865**	**47 913**

Balance as at 30 June 2011 represents properties identified as surplus to CSIRO and classified as 'held for sale'. These properties have been valued by independent valuers. They are expected to be sold in the market and settled within the next 12 months. An impairment loss of $4.9 million on the re-measurement of properties held for sale to the lower of their carrying amount and fair value cost to sell, has been recognised in the Statement of Comprehensive Income.

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 17 Suppliers					
Trade creditors and accruals		**84 195**	**93 742**	**83 750**	**93 742**
Supplier payable expected to be settled within 12 months.					
Related entities		1 170	2 387	1 170	2 387
External entities		83 025	91 355	82 580	91 355
		84 195	**93 742**	**83 750**	**93 742**
Settlement is usually made within 30 days.					
Note 18 Other payables					
Accrued salaries and wages		20 273	12 143	20 032	12 143
Redundancies		3 349	8 154	3 349	8 154
Contract research revenue received in advance	1.6	96 648	99 904	96 648	100 386
Other revenue received in advance		26 105	26 053	26 105	26 053
Other creditors and accrued expenses		5 574	11 501	5 828	61 489
GST payable to ATO		1 199	-	1 569	-
Total other payables		**153 148**	**157 755**	**153 531**	**208 225**
All other payables are expected to be settled within 12 months.					
Note 19 Leases					
Finance leases		65 200	69 256	65 200	69 256
Total finance leases		**65 200**	**69 256**	**65 200**	**69 256**
Payable:					
Within one year					
Minimum lease payments		7 082	7 129	7 082	7 129
Deduct: future finance charges		(2 915)	(3 074)	(2 915)	(3 074)
Total payable within one year (current)		**4 167**	**4 055**	**4 167**	**4 055**
In one to five years		-			
Minimum lease payments		28 449	28 324	28 449	28 324
Deduct: future finance charges		(9 961)	(10 697)	(9 961)	(10 697)
Total payable in one to five years		**18 488**	**17 627**	**18 488**	**17 627**
In more than five years		-			
Minimum lease payments		51 737	59 023	51 737	59 023
Deduct: future finance charges		(9 192)	(11 449)	(9 192)	(11 449)
Total payable in more than five years		**42 545**	**47 574**	**42 545**	**47 574**
Total finance leases recognised on the balance sheet		**65 200**	**69 256**	**65 200**	**69 256**

Finance leases exist in relation to certain buildings and major equipment assets. The leases are non-cancellable and for fixed terms ranging from 2 to 25 years. CSIRO guarantees the residual values of all assets leased. There are no contingent rentals. The interest rate implicit in the leases averaged 5% (2010, 5%). The lease liabilities are secured by the lease assets.

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 20 Deposits					
Deposits		**6 472**	**2 462**	**6 472**	**2 462**
Deposits represent monies held on behalf of the following third parties:					
Cooperative Research Centres		250	250	250	250
Goyder Trust		4 820	-	4 820	-
Others		1 402	2 212	1 402	2 212
Total deposits		**6 472**	**2 462**	**6 472**	**2 462**

All deposits are expected to be settled within the next 12 months.

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 21 Employee provisions					
Annual leave		59 922	57 803	59 922	57 803
Long service leave		139 494	125 114	139 494	125 114
Severance pay		6 148	6 194	6 148	6 194
Total employee provisions		**205 564**	**189 111**	**205 564**	**189 111**
Employee provisions are expected to be settled in:					
No more than 12 months		187 635	175 219	187 635	175 219
More than 12 months		17 929	13 892	17 929	13 892
Total employee provisions		**205 564**	**189 111**	**205 564**	**189 111**

Note 22 Cash flow reconciliation

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement					
Cash and cash equivalents as per:					
Cash Flow Statement		308 478	231 293	161 490	132 722
Balance Sheet	6	308 478	231 293	161 490	132 722
Difference		-	-	-	-
Reconciliation of net cost of services to net cash from operating activities:					
Net cost of service		(733 917)	(723 796)	(730 710)	(873 907)
Add revenue from Government		720 415	704 884	720 415	704 884
Share of net operating surplus/(deficit) of joint venture accounted for using the equity method		(184)	30	(184)	30
Adjustments for non-cash items					
Depreciation and amortisation		101 728	95 659	101 728	95 659
Net write-down and impairment of assets		25 601	4 476	25 601	4 476
(Gains)/loss from sale of property, plant and equipment		(118)	1 302	(118)	1 302
(Gains)/loss from sale of equity investments and intellectual property		(4 822)	3 511	(4 822)	3 511
Realisation of fair value gain reserve on available for sale investments		(140)	(3 866)	(140)	(3 866)
Changes in assets/liabilities					
(Increase)/decrease in trade and other receivables		12 424	65 396	11 629	66 680
(Increase)/decrease in inventories		143	123	143	123
(Increase)/decrease in other non–financial assets		1 175	(10 973)	1 175	(10 973)
(Increase)/decrease in GST receivable		726	(680)	429	(383)
Increase/(decrease) in GST payable		1 199	-	1 569	-
Increase/(decrease) in employee liabilities		16 453	7 364	16 453	7 364
Increase/(decrease) in supplier payables		(10 746)	(641)	(11 561)	(641)
Increase/(decrease) in other payables		(4 607)	13 539	(54 694)	64 029
Increase/(decrease) in deposits–liabilities		4 010	(3 225)	4 010	(3 225)
Net cash from operating activities		**129 340**	**153 103**	**80 923**	**55 063**

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
Note 23 Contingent liabilities and assets					
Quantifiable Contingencies					
Contingent assets					
The Organisation's net share of the contingent asset		-	-	-	-
Contingent liabilities					
Estimated legal claims arising from employment, motor vehicle accidents, commercial and patent disputes. The Organisation has denied liability and is defending the claims. The estimate is based on precedent in such cases.		(300)	(250)	(300)	(250)
CSIRO has a financial guarantee for a bank loan.		(17)	-	(17)	-
Total net contingent liability		**(317)**	**(250)**	**(317)**	**(250)**

Unquantifiable contingencies

CSIRO is currently involved in eight legal proceedings in the USA related to a wireless local area network (WLAN) patent which it owns and wishes to license broadly. The proceedings are additional to proceedings settled by CSIRO in April 2009, and include actions under which declarations of non-infringement and patent invalidity against CSIRO have been sought. CSIRO has claimed (or counter-claimed) for infringement as appropriate. The proceedings are in various phases. If successful, CSIRO expects to receive significant revenue which would exceed the associated legal cost. At this stage, the revenue and costs are considered unquantifiable.

Note 24 **Joint Ventures – Cooperative Research Centres (CRCs)**

The Group was a party to 22 CRCs during 2010–11.

All CRCs have been classified as joint venture operations as the purpose is for the pursuit of collaborative scientific research where participants share in the scientific outcomes and outputs of the CRCs. In the event that CRC research results in a move to commercialisation, a separate legal entity is established and the Group's share of the new entity is treated either as subsidiary, joint venture or associate in the Balance Sheet as appropriate.

The Group's total cash and in-kind contribution (e.g. staff and use of assets) to CRCs from its own resources was $33.8 million for the year (2010, $45.1 million). Contributions made by the Group are expensed as incurred and these are included in the Income Statement.

No contingent liabilities were reported by the CRCs in which the Group is a participant.

The Group is a participant in the following CRCs as at 30 June 2011:

Name of CRC	Expected Termination date
Advanced Automotive Technology CRC	30 June 2012
Australasian Invasive Animals CRC	30 June 2012
Beef Genetic Technologies CRC	30 June 2012
CAST CRC	30 June 2012
Cotton Catchment Communities CRC	30 June 2012
Forestry for CRC	30 June 2012
e-Water CRC	30 June 2012
National Plant Biosecurity CRC	30 June 2012
Parker CRC for Integrated Hydrometallurgy Solutions	30 June 2012
Polymers CRC	30 June 2012
Bushfire CRC	30 June 2013
Advanced Manufacturing CRC	30 June 2014
Australian Seafood CRC	30 June 2014
CRC for Cancer Therapeutics	30 June 2014
Future Farm Industries CRC	30 June 2014
Sheep Industry Innovation CRC	30 June 2014
Greenhouse Gas Technologies CRC	30 June 2015
Deep Exploration Technologies CRC	30 June 2016
Antarctic Climate and Ecosystems CRC	30 June 2017
Australian Poultry CRC	30 June 2017
Remote Economic Participation CRC	30 June 2017
Vision CRC	30 June 2017

Note 25 Resources made available to the Group and not included in the balance sheet

	Land $'000	Buildings $'000	Plant and Equipment $'000	Total $'000
At cost or fair value	4 615	159	35 753	40 527
Accumulated depreciation	-	-	(26 526)	(26 526)
Net value as at 30 June 2011	**4 615**	**159**	**9 227**	**14 001**
Net value as at 30 June 2010	**12 015**	**50**	**1 285**	**13 350**

The above assets are made available to the Group at little or no cost in accordance with formal agreements with contributors. They have either been purchased out of contract research monies and expensed in the year of purchase, in accordance with accounting policy Note 1.7, or made available to CSIRO at little or no cost. The assets include vehicles, computers and scientific equipment.

These assets are controlled and accounted for in the contributors' books and any proceeds from their disposal are refundable to the contributors in accordance with formal agreements on equity share. There are some restrictions on how these assets are operated. The fair value of in-kind contributions of these assets could not be reliably determined and therefore are not brought to account in the Statement of Comprehensive Income.

Note 26	**Monies held in trust**	**2011 $'000**	**2010 $'000**
	Monies held in trust represented by cash, deposits and investments for the benefit of the Group which are not included in the Balance Sheet are:		
	The Sir Ian McLennan Achievement for Industry Award – established to award outstanding contributions by the Group's scientists and engineers to national development.	265	262
	The Elwood and Hannah Zimmerman Trust Fund – established to fund weevil research and the curation of the Australian National Insect Collection (ANIC) weevil collection.	4 574	2 116
	The Schlinger Trust – established to research the taxonomy, biosystematics, general biology and biogeography of Australasian Diptera conducted by the Australian National Insect Collection.	2 285	2 243
	Total monies held in trust as at 30 June 2011	**7 124**	**4 621**

Movement summary of monies held in trust:

	McLennan $'000	**Zimmerman $'000**	**Schlinger $'000**	**Total $'000**
Balance as at 1 July 2010	262	2 116	2 243	4 621
Receipts during the year	-	2 513	-	2 513
Interest and distribution	18	105	197	320
Expenditure	(15)	(160)	(155)	(330)
Balance as at 30 June 2011	**265**	**4 574**	**2 285**	**7 124**

Note 27 **Collections**

The CSIRO has a number of collections used for scientific research. These collections have been established over time and cover an extensive range of evolution and change in species. The collections are irreplaceable, bear scientific and historical value and are not reliably measurable in monetary terms. Therefore, the CSIRO has not recognised them as an asset in its Financial Statements.

The main collections held by the CSIRO are:

- Australian National Herbarium (ANH)
  The ANH is one of the largest plant collections in Australia with approximately one million preserved plant specimens. It is unique among the Australian Herbaria in having a national focus for its collections, acquisition and research programs.

- Australian National Insect Collection (ANIC)
  The ANIC has over 11 million specimens and is the largest research collection of Australian insects and related organisms in the world.

- Australian National Wildlife Collection (ANWC)
  The ANWC, with over 80 000 specimens, holds land vertebrate collections, including the most comprehensively documented collections of Australian–New Guinean birds in the world.

- Australian National Fish Collection (ANFC)
  The ANFC, also known as the 'ISR Munro Ichthyological Collection', houses more than 80 000 registered adult and 40 000 registered larval specimens of almost 3 000 species from Australasia, Asia, Antarctica, and the Sub-Antarctic Islands. It is among Australia's most diverse ichthyological collections and contains one of the largest collections of sharks, rays and deepwater fishes in the Southern Hemisphere.

Other collections include, but are not limited to, the Australian Tree Seed Centre, the Dadswell Memorial Wood Collection, CSIRO Collection of Living Microalgae and the Wood-Inhabiting Fungi Collection.

	Notes	Consolidated		CSIRO	
		2011	2010	2011	2010
Note 28 Remuneration of auditors		$	$	$	$
Financial statement audit services are provided to the Group by the Auditor-General					
The fee for auditing services provided was :		**222 000**	**310 400**	**210 000**	**298 000**
No other services were provided by the Auditor-General.					

Note 29 Remuneration of Board Members

	Consolidated 2011 $	Consolidated 2010 $	CSIRO 2011 $	CSIRO 2010 $
Remuneration and superannuation benefits received or due and receivable by full-time and part-time Board Members, excluding the Chief Executive Officer were:				
Board Members' remuneration	470 775	495 716	470 775	495 716
Payments to superannuation funds for Board Members	54 455	44 522	54 455	44 522
Total remuneration	**525 230**	**540 238**	**525 230**	**540 238**

The remuneration of the Chief Executive Officer, who is also a Board Member of the Group is reported under Note 30 Remuneration of Senior Executives.

The number of Board Members whose total remuneration fell within the following bands were:

$	Number	Number	Number	Number
0 – 29 999	3	-	3	-
30 000 – 59 999	5	7	5	7
60 000 – 89 999	2	1	2	1
90 000 – 119 999	1	1	1	1
Total	**11**	**9**	**11**	**9**

	Notes	Consolidated		CSIRO	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Note 30 Senior Executive Remuneration					
30 (a) Senior Executive Remuneration Expense for the Reporting Period[1]					
Short-term employee benefits:					
Salary		7 159 801	7 647 977	7 159 801	7 647 977
Annual leave accrued		664 771	777 643	664 771	777 643
Performance bonuses[2]		1 650 395	1 750 078	1 650 395	1 750 078
Additonal Allowances		487 443	560 347	487 443	560 347
Total short-term employee benefits		**9 962 410**	**10 736 044**	**9 962 410**	**10 736 044**
Post-employment benefits:					
Superannuation		1 003 540	1 014 415	1 003 540	1 014 415
Total post-employment benefits		**1 003 540**	**1 014 415**	**1 003 540**	**1 014 415**
Other long-term benefits:					
Long-service leave		423 594	251 593	423 594	251 593
Total other long-term benefits		**423 594**	**251 593**	**423 594**	**251 593**
Termination benefits		58 316	88 326	58 316	88 326
Total termination benefits		**58 316**	**88 326**	**58 316**	**88 326**
Total		**11 447 860**	**12 090 378**	**11 447 860**	**12 090 378**

Notes:

2010 comparatives have been updated to represent the changes in 2011 FMOs.

[1] Note 30 (a) excludes acting arrangements and part-year service where remuneration expensed was less than $150 000.

[2] Performance bonus expenses disclosed above were prepared on an accrual basis and therefore differ from 'Performance bonus paid' in Note 30 (b).

Note 30 (b)

Average annual remuneration packages and performance bonus paid for substantive senior executives as at the end of the reporting period

Fixed elements and performance bonus paid[1]	as at 30 June 2011					as at 30 June 2010				
	Fixed elements					Fixed elements				
	Senior executives No.	Salary $	Allowances $	Total $	Performance bonus paid[2] $	Senior executives No.	Salary $	Allowances $	Total $	Performance bonus paid[2] $
Total remuneration (including part-time arrangements)										
less than $150 000	-	-	-	-	-	-	-	-	-	-
$150 000 – $179 999	-	-	-	-	-	-	-	-	-	-
$180 000 – $209 999	6	183 236	18 928	202 164	16 692	4	187 527	18 305	205 832	28 271
$210 000 – $239 999	10	205 843	17 661	223 504	44 600	12	209 396	16 165	225 561	34 833
$240 000 – $269 999	7	232 145	18 551	250 696	56 731	8	231 995	18 404	250 399	52 296
$270 000 – $299 999	5	268 639	20 370	289 009	51 655	6	261 161	20 182	281 343	60 170
$300 000 – $329 999	1	290 771	19 240	310 011	11 268	1	286 204	17 370	303 574	66 445
$330 000 – $359 999	2	321 056	19 240	340 296	74 194	2	319 395	19 240	338 635	97 381
$360 000 – $379 999	-	-	-	-	-	-	-	-	-	-
$390 000 – $419 999	-	-	-	-	-	-	-	-	-	-
$420 000 – $449 999	-	-	-	-	-	-	-	-	-	-
$450 000 – $479 999	-	-	-	-	-	-	-	-	-	-
$480 000 – $509 999	1	483 482	25 000	508 482	141 831	1	468 672	25 000	493 672	64 267
Total	**32**	**1 985 171**	**138 991**	**2 124 162**	**396 971**	**34**	**1 964 350**	**134 665**	**2 099 016**	**403 661**

Notes:

2010 comparatives have been updated to represent the changes in 2011 FMOs.

[1] This table reports on substantive senior executives who are employed by the entity as at the end of the reporting period. Fixed elements are based on the employment agreement of each individual – each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).

[2] Represents average actual bonuses paid during the reporting period. The 'performance bonus paid' is excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'performance bonus paid' within a particular band may vary between financial years due to factors such as individuals commencing with or leaving the entity during the financial year.

Note 30 Senior executive remuneration (cont)

Notes (cont)

Variable elements

Performance bonuses

(a) Performance bonuses are calculated by applying a performance rating for each individuals Total Remuneration. The performance rating is determined by the individual's achievements against their Key Result Areas (KRAs).

- There are some executives entitled to deferred accumulated performance bonus payable on termination. They are determined based on a cumulative percentage of Total Remuneration at termination date.

(b) On average senior executives are entitled to the following leave entitlements:

- Annual Leave (AL): entitled to 20 days (2010: 20 days) each full year worked (pro-rata for part-time SES)
- Personal Leave (PL): entitled to 4 days (2010: 4 days) or part-time equivalent
- Long Service Leave (LSL): in accordance with Long Service Leave (Commonwealth Employees) Act 1976

(c) Senior executives are members of one of the following superannuation funds:

- Australian Government Employee Superannuation Trust (AGEST): this fund is for senior executives who are employed for a defined period. Employer contribution is set at 9 per cent (2010: 9 per cent). More information on AGEST can be found at http://www.agest.com.au

- Commonwealth Superannuation Scheme (CSS): this scheme is closed to new members and employer contributions currently average 17.8 per cent (2010: 17.8 per cent) (including productivity component). More information on CSS can be found at http://www.css.gov.au

- Public Sector Superannuation Scheme (PSS): this scheme is closed to new members, with current employer contributions set at 13.7 per cent (2010: 13.7 per cent) (including productivity component). More information on PSS can be found at http://www.pss.gov.au

- Public Sector Superannuation Accumulation Plan (PSSAP): employer contribution is set at 15.4 per cent (2010: 15.4 per cent), and the fund has been in operation since July 2005. More information on PSSAP can be found at http://www.pssap.gov.au

- Other: this is usually for senior executives who have made their own superannuation arrangements (employer contribution are set at 9 per cent (2010: 9 per cent) these groups include employees who self manage their superannuation.

(d) Other variable allowances are available to some executives under the terms of their employment contracts.

(e) Various salary sacrifice arrangements are available to senior executives including superannuation, motor vehicle and expense payment fringe benefits.

Note 30 (C) Other highly paid staff

During the reporting period, there were 290 (2010: 289) employees whose salary plus performance bonus were $150 000 or more. These employees did not have a role as a senior executive and are therefore not disclosed as a senior executive in Note 30 (a) and Note 30 (b).

Note 31 Meetings of the Board and Board Committees – Consolidated

During the financial year, eight Board meetings, six Board Audit Committee meetings, twelve Board Remuneration Committee meetings, three Board Endowment Committee meetings and nine Board Commercial Committee meetings were held. The number of meetings attended by each of the eligible Board members was as follows:

Board Member	CSIRO Board		CSIRO Board Audit Committee		CSIRO Board Nominations and Remuneration Committee		CSIRO Board Commercial Committee		SIEF Board Endowment Committee	
	Number eligible to attend as a member	Number attended	Number eligible to attend as a member	Number attended	Number eligible to attend as a member	Number attended	Number eligible to attend as a member	Number attended	Number eligible to attend as a member	Number attended
M S Boydell	8	8	6	6	-	-	-	-	2	3
I Chubb	8	5	-	-	12	7	-	-	-	-
M Clark*	8	8	-	-	-	-	-	-	-	-
T A Cutler	8	8	6	5	-	-	9	9	3	3
E J Doyle	8	7	-	-	12	12	9	9	-	-
J Kerin	8	8	6	5	-	-	-	-	-	-
S McKeon	8	8	-	-	12	12	8	8	3	3
D M O'Toole	7	4	5	4	-	-	-	-	1	0
M Paterson	1	1	-	-	-	-	-	-	-	-
J H Ranck	1	1	-	-	1	1	1	1	-	-
D J Rathbone	1	1	3	0	-	-	-	-	-	-
T H Spurling	8	8	-	-	12	11	9	8	-	-

*CEO attended as an observer 4 Board Audit Committee meetings, 12 Board Nominations and Remuneration Committee meetings, 9 Board Commercial Committee meetings and 3 SIEF Board Endowment Committee meetings.

Note 32 Related party disclosures

(a) Controlled Entities

Science and Industry Endowment Fund was established under the *Science and Industry Endowment Act 1926*. The Fund is deemed to be a CSIRO controlled entity in accordance with AASB 127 Consolidated and Separate Financial Statements and UIG 112. The Science and Industry Endowment Fund's separate financial statements are reported in the CSIRO Annual Report.

The principal activity of the Science and Industry Endowment Fund is to provide assistance to persons engaged in scientific research and in training of students in scientific research.

WLAN Services Pty Ltd was established in 2005. The company is a CSIRO controlled entity in accordance with AASB 127 Consolidated and Separate Financial Statements and UIG 112. The principal activity is to provide services to CSIRO.

Hydropem Pty Ltd is an inactive company and as a result it has not been included in the consolidated financial statements.

Names	CSIRO Investment Amount		% Equity Interest Held	
	2011 $	2010 $	2011 $	2010 $
Science and Industry Endowment Fund (SIEF)	-	-	100%	100%
WLAN Services Pty Ltd	1	1	100%	100%
Hydropem Pty Ltd (inactive)	1	1	100%	100%
Total	**2**	**2**		

(b) Board Members

The Board Members of the Group during the financial year were:

S McKeon (Chairman)
T A Cutler (Deputy Chairman)
M E Clark (Chief Executive)
E J Doyle
D J Rathbone (term completed 25 September 2010)
D M O'Toole (term completed 30 April 2011)
M Paterson (resigned 31 May 2011)
T H Spurling
I Chubb
The Honourable J Kerin
M S Boydell
J H Ranck (commenced 1 May 2011)

Remuneration – the aggregate remuneration of Board Members is disclosed in Note 29.

(c) Board Members' interest in contracts

Since 1 July 2010 no Board Member of CSIRO has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of remuneration received or due and receivable shown in Note 29 by reason of a contract made by CSIRO with the Board Member or with a firm of which the Board Member is a member or with a company in which the Board Member has a substantial financial interest.

This information relates to the period 1 July 2010 to 30 June 2011.

Note 32 Related party disclosures (cont)

(d) Other transactions of Board Members – related entities

Ms M S Boydell is the Chairperson of the Gladstone Area Water Board and Commissioner of the Queensland Water Commission. Ms Boydell is a Director of Energex Limited, Uniquest Pty Limited and UATC Pty Ltd; and a Member of the Premier of Queensland's Smart State Council Standing Committee and the Surat Basin Coal Seam Gas Engagement Group. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Professor I Chubb was appointed Chief Scientist for Australia on 23 May 2011. Professor Chubb was Vice-Chancellor of the Australian National University till March 2011. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Dr M Clark is a member of the Prime Minister's Science, Engineering and Innovation Council, the Automotive Industry Innovation Council and the National Research Infrastructure Council (NRIC). Dr Clark also became a Director of a family company, registered 27 June 2011: Cradle Mountain Carbon Pty Ltd. ACN 151 512 220, the business purpose of which is as a vehicle to hold land for conservation purposes. She is also trustee of the Science and Industry Endowment Fund and a member of the Australia Advisory Board of the Bank of America Merrill Lynch. During the year, she ceased as a member of the St Vincent's Hospital Foundation Board and the Great Barrier Reef Foundation. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Dr T A Cutler is the Principal of Cutler & Company, a technology and strategy consultancy. He is also a Director of The National Health Call Centre Network Ltd, the Multimedia University (Malaysia), The Conversation Ltd and MHM Higher Education Pty Ltd. He is Chairman of the Advisory Board of the Centre of Excellence for Creative Industries and Innovation and is a member of the Design Research Institute Advisory Board RMIT. During 2010–11, Dr Cutler stepped down as Chairman of Pharmacy Australia Centre of Excellence (PACE) Precinct, Brisbane and as a Director of Chunky Move, and from membership of the Advisory Board to the Australian Biological Resources Study (ABRS) and of the Monash University and CSIRO joint Advisory Group for the SE Melbourne Innovation Precinct. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Dr E J Doyle is Chair of the Hunter Valley Research Foundation. She is also a Director of the Hunter Founders Forum, GPT Ltd and Boral Ltd. From 1 July 2011, Dr Doyle is also a Director of Bradken Limited. During 2010–11, Dr Doyle stood down as a Director of Benex Technologies Pty Ltd, Ross Human Directions Ltd and OneSteel Ltd. She is a Conjoint Professor at the University of Newcastle Graduate School of Business and a member of the Enterprise Connect Advisory Council. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

The Honourable Mr John Kerin is Chair of the Poultry CRC, the National Weeds, Productivity Research Program Advisory R&D Committee and the Board of Governors of The Crawford Fund. He is a member of the Board of the Southern Rivers Catchment Management Authority, the Clunies Ross Foundation and Governor of the World Wildlife Fund. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Mr S McKeon is the Executive Chairman of Macquarie Group's Melbourne Office, President of the Australian Government's Takeovers Panel and Chairman of Business for Millennium Development. He is Director of Global Poverty Project and a Director of Red Dust Role Models, Vision Fund International and MS Research Australia. He is also a member of the Federal Government's Human Rights Grants Scheme Advisory Panel and the Victorian Government's National Disability Insurance Scheme Implementation Taskforce. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Note 32 Related party disclosures (cont)

Ms D M O'Toole is the Chief Financial Officer of QR National, a former Director of Norfolk Group Ltd, a former Director of Raheny Consulting Pty Ltd and a former CFO of MIM Holdings Limited. She was a member of the Queensland Biotech Advisory Council and is a member of the Advisory Committee for the Banking and Finance School of the Queensland University of Technology. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Mr M Paterson was Secretary of the Commonwealth Department of Innovation, Industry, Science and Research. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Mr J H Ranck is a Director of Elders and a member of the Board of the Bush Heritage Foundation. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Mr D J Rathbone is Managing Director and Chief Executive of Nufarm Limited. He is also a Director of the Children's Cancer Centre Foundation, Royal Children's Hospital, Victoria. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Professor T H Spurling is a Research Professor in the Faculty of Life and Social Sciences, Swinburne University of Technology, Victoria. He is also a member of the Board of the International Centre for Radio Astronomy Research; and Chairman of the Board of Advanced Molecular Technologies Pty Ltd. All contracts and transactions between these entities and CSIRO are based on normal commercial terms and conditions and there is no personal benefit to the CSIRO Board Member.

Note 33 Financial instruments

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
(a) Categories of financial instruments					
Financial assets					
Available for sale financial assets					
Investments	9	31 969	32 641	31 969	32 641
Loans and receivables					
Cash at bank	6	36 874	23 053	36 490	17 722
Term deposits	6	271 604	208 240	125 000	115 000
Receivables for goods and services	7	80 791	78 591	80 791	78 591
Other receivable	7	9 184	23 842	8 684	22 547
Carrying amount of financial assets		**430 422**	**366 367**	**282 934**	**266 501**
Financial liabilities					
Finance lease liabilities	19	65 200	69 256	65 200	69 256
Trade creditors	17	84 195	93 742	83 750	93 742
Research revenue received in advance	18	96 648	99 904	96 648	100 386
Deposits	20	6 472	2 462	6 472	2 462
Other creditors	18	55 301	57 851	55 314	107 839
Carrying amount of financial liabilities		**307 816**	**323 215**	**307 384**	**373 685**
(b) Net income and expense from financial assets					
Cash at bank and term deposits					
Interest revenue	4.2	15 174	10 422	8 729	7 222
Net gain from financial assets		**15 174**	**10 422**	**8 729**	**7 222**
(c) Net income and expense from financial liabilities					
Finance Leases					
Interest expense	3.4	3 266	3 463	3 266	3 463
Net loss from financial liabilities		**3 266**	**3 463**	**3 266**	**3 463**

(d) Fair value of financial instruments

A comparison between the fair value and carrying amount of the Group's financial assets and liabilities is not disclosed because the Group considers that the carrying amounts reported in the balance sheet are a reasonable approximation of the fair value of these financial assets and liabilities.

Note 33 Financial instruments (cont)

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	CSIRO 2011 $'000	CSIRO 2010 $'000
(e) Fair value hierarchy (cont)					
Fair value measurements categorised by fair value hierarchy					
Level 1	9	10 461	12 935	10 461	12 935
Level 2		-	-	-	-
Level 3	9	21 508	19 706	21 508	19 706
Total		**31 969**	**32 641**	**31 969**	**32 641**
Reconciliation of Level 3 fair value hierarchy					
As at 1 July		32 641	62 453	32 641	62 453
Total losses for the period recognised in statement of comprehensive income[1]	3.5	(7 825)	(3 472)	(7 825)	(3 472)
Total gains recognised in other comprehensive income[2]	5.2	1 452	20 620	1 452	20 620
Purchases		5 613	6 017	5 613	6 017
Sales		(1 860)	(52 977)	(1 860)	(52 977)
Issues		1 948	-	1 948	-
Closing balance		**31 969**	**32 641**	**31 969**	**32 641**

[1]These losses are presented in the statement of comprehensive income note 3.5.
[2]Gains for the period included in other comprehensive income that are attributable to gains relating to those assets held at the end of the reporting period is $7 532 623. Those gains are presented in the statement of comprehensive income in note 5.2.

Fair value of investments in unlisted companies

For investments in unlisted companies where there is no readily available market pricing for the equity instruments, the fair value has been determined by applying valuation techniques in line with the generally accepted valuation guidelines 'International Private Equity and Venture Capital Valuation Guidelines (AVCAL)'.

Where recent transactions for the unlisted companies' equity have taken place, these equity transaction prices are used to value CSIRO's investment.

For unlisted companies that have not had any recent equity transactions, other AVCAL valuation techniques are used such as discounted cash flows and share of net assets.

In addition, independent valuations are performed as at reporting date for unlisted companies that are considered to have a material impact on CSIRO's investment portfolio.

Investments in special purpose entities are either valued at cost or share of net assets since a reliable estimate of fair value cannot be established. These entities have been set up primarily to gain access to research facilities/networks, or to provide services to owners. Hence, there is no 'active market' for these equity investments. CSIRO is a long-term shareholder and is unlikely to dispose of its interest in these investments.

Note 33 Financial Instrument (cont)

(f) Credit risk

The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade and other receivables of $88.9 million (2010 $102.6 million). The Group has assessed the risk of the default on payment and has allocated $987k (2010 $1.021 million) to an allowance for impairment account.

The Group manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Group has policies and procedures that guide employees to apply debt recovery techniques. The Group holds no collateral to mitigate against credit risk.

Credit risk of financial instruments not past due or individually determined as impaired – Consolidated

	Notes	Not Past Due Nor Impaired	Not Past Due Nor Impaired	Past due or Impaired	Past due or Impaired
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Cash at bank	6	36 874	23 053	-	-
Term deposits	6	271 604	208 240	-	-
Receivables for goods and services	7	67 845	74 110	12 946	4 481
Other receivable	7	9 184	23 842	-	-
Investments	9	31 969	32 641	-	-
Total		**417 476**	**361 886**	**12 946**	**4 481**

Credit risk of financial instruments not past due or individually determined as impaired – CSIRO

	Notes	Not Past Due Nor Impaired	Not Past Due Nor Impaired	Past due or Impaired	Past due or Impaired
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Cash at bank	6	36 490	17 722	-	-
Term deposits	6	125 000	115 000	-	-
Receivables for goods and services	7	67 845	74 110	12 946	4 481
Loans receivables	7	-	-	-	-
Other receivable	7	8 684	22 547	-	-
Investments	9	31 969	32 641	-	-
Total		**269 988**	**262 020**	**12 946**	**4 481**

Note 33 Financial instruments (cont)

(f) Credit risk (cont)

Ageing of financial assets that are past due but not impaired for 2011 – Consolidated

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Receivables for goods and services	10 435	901	553	1 057	12 946
Total	**10 435**	**901**	**553**	**1 057**	**12 946**

Ageing of financial assets that are past due but not impaired for 2010 – Consolidated

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Receivables for goods and services	2 390	691	375	1 025	4 481
Total	**2 390**	**691**	**375**	**1 025**	**4 481**

Ageing of financial assets that are past due but not impaired for 2011 – CSIRO

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Receivables for goods and services	10 435	901	553	1 057	12 946
Total	**10 435**	**901**	**553**	**1 057**	**12 946**

Ageing of financial assets that are past due but not impaired for 2010 – CSIRO

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Receivables for goods and services	2 390	691	375	1 025	4 481
Total	**2 390**	**691**	**375**	**1 025**	**4 481**

(g) Liquidity risk

The Group's financial liabilities are payables, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to Australian Government funding and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The Group manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Group has policies in place to ensure timely payments are made when due and has no past experience of defaults.

Note 33 Financial instruments (cont)

(g) Liquidity risk (cont)

The following table illustrates the maturities for financial liabilities for 2011 – Consolidated

	On demand $'000	Within 1 year $'000	1 to 5 years $'000	> 5 years $'000	Total $'000
Finance lease liabilities	-	7 082	28 449	51 737	87 268
Trade creditors	-	84 195	-	-	84 195
Research revenue received in advance	-	96 648	-	-	96 648
Deposits	6 472	-	-	-	6 472
Other creditors	-	55 301	-	-	55 301
Total	**6 472**	**243 226**	**28 449**	**51 737**	**329 884**

The following table illustrates the maturities for financial liabilities for 2010 – Consolidated

	On demand $'000	Within 1 year $'000	1 to 5 years $'000	> 5 years $'000	Total $'000
Finance lease liabilities	-	7 129	28 324	59 023	94 476
Trade creditors	-	93 742	-	-	93 742
Research revenue received in advance	-	99 904	-	-	99 904
Deposits	2 462	-	-	-	2 462
Other creditors	-	57 851	-	-	57 851
Total	**2 462**	**258 626**	**28 324**	**59 023**	**348 435**

The Group has no derivative financial liabilities in both the current and prior years

Note 33 Financial instruments CSIRO (cont)

(g) Liquidity risk (cont)

The following table illustrates the maturities for financial liabilities for 2011 – CSIRO

	On demand $'000	Within 1 year $'000	1 to 5 years $'000	> 5 years $'000	Total $'000
Finance lease liabilities	-	7 082	28 449	51 737	87 268
Trade creditors	-	83 750	-	-	83 750
Research revenue received in advance	-	96 648	-	-	96 648
Deposits	6 472	-	-	-	6 472
Other creditors	-	55 314	-	-	55 314
Total	**6 472**	**242 794**	**28 449**	**51 737**	**329 452**

The following table illustrates the maturities for financial liabilities for 2010 – CSIRO

	On demand $'000	Within 1 year $'000	1 to 5 years $'000	> 5 years $'000	Total $'000
Finance lease liabilities	-	7 129	28 324	59 023	94 476
Trade creditors	-	93 742	-	-	93 742
Research revenue received in advance	-	100 386	-	-	100 386
Deposits	2 462	-	-	-	2 462
Other creditors	-	107 839	-	-	107 839
Total	**2 462**	**309 096**	**28 324**	**59 023**	**398 905**

(h) Market risk

The Group holds basic financial instruments that do not expose the Group to certain market risks except for equity price risk for its available for sale equity investments. See Note 9.

Interest rate risk

The only interest–bearing items on the balance sheet are finance leases. They all bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

Equity price risk

Equity price risk arises from changes in market prices of listed equity investments that the Group has designated as ‘available for sale’ financial instruments. See Note 9.

Sensitivity analysis

The Group’s listed equity investments are listed on the Australian Securities Exchange (ASX). For such instruments classified as available for sale, a 10% increase in the ASX All Ordinary Index at the reporting date would have increased equity by $1 046 092 (2010 an increase of $1 293 481). An equal change in the opposite direction would have decreased equity by $1 046 092 (2010 a decrease of $1 293 481). The analysis is performed on the same basis for 2010.

Note 33 Financial Instrument (cont)

(h) Market risk (cont)

Currency risk

In accordance with Australian Government policy, the Group is prohibited from entering into foreign currency hedges.

The Group's exposure to foreign exchange risk on sales and purchases that are denominated in currencies other than Australian dollar is not considered material. At any point in time the Group's foreign currency risk exposure is not material.

Note 34 Reporting of Outcome

(a) Reporting of outcome

The Organisation's outputs contribute to a single outcome:

Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice.

(b) Net cost of outcome delivery	Consolidated		CSIRO	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Total expenses[1]	**1 231 860**	**1 183 137**	**1 231 300**	**1 333 113**
Income from non-governent sector				
Other external revenues:				
Sale of goods and rendering of services – to related entities	141 221	148 355	141 221	150 858
Sale of goods and rendering of services – to external entities	268 455	229 564	276 856	229 564
Interest	15 174	10 422	8 729	7 222
Net gains from sale of assets	118	-	118	-
Donations	524	103	524	103
Rents	7 826	8 562	7 826	8 562
Royalties	29 237	42 985	29 237	42 985
Net gains from sale of investments	4 822	-	4 822	-
Realisation of fair value gain reserve	140	3 866	140	3 866
Sale of primary produce	1 333	986	1 333	986
Other	28 909	14 528	29 600	15 090
Total other own-source income	497 759	459 371	500 406	459 236
Net cost of outcome delivery	**734 101**	**723 766**	**730 894**	**873 877**

[1]Total expenses adjusted for movement in investment accounted for using equity method