





## Part five

# Appendices

Flagship collaboration clusters.....	176
Service Charter.....	179
Administrative law.....	180
Commonwealth disability strategy.....	182
Consultancy services.....	183
Publications and intellectual property data.....	190
Science and Industry Endowment Fund Annual Report 2009–10.....	192

# Appendix 1: Flagship Collaboration Fund Active Clusters\*

## Round 1 clusters

Flagship	Cluster name	Cluster leader(s)	Other partners
Light Metals	Australian Partnership in Light Metals Research	Dr Colleen Bettles, Monash University	Australian Research Council Centre of Excellence, CAST Cooperative Research Centre (CRC)
Preventative Health	Detecting and preventing Alzheimer's disease	Professor David Ames, University of Melbourne	Edith Cowan University, Mental Health Research Institute, Neurosciences Australia
Wealth from Oceans	Human uses and impacts on Ningaloo reef	Professor Neil Loneragan, Murdoch University	Australian National University (ANU), Curtin University of Technology (CUT), Edith Cowan University, Sustainable Tourism CRC, University of Western Australia (UWA), University of Queensland (UQ)

## Round 2 clusters

Flagship	Cluster name	Cluster leader(s)	Other partners
Food Futures	Redesigning grain polysaccharides	Professor Mike Gidley, UQ	University of Adelaide, University of Melbourne
Water for a Healthy Country	Advanced membrane technologies for water treatment	Professor Stephen Gray, Victoria University	University of New South Wales (UNSW), University of Melbourne, RMIT University, Monash University, UQ, CUT, University of South Australia, Murdoch University
Wealth from Oceans	Subsea pipelines for reliable and environmentally safe development	Professor Mark Cassidy, UWA	CUT, Flinders University, Monash University, University of Sydney, UQ

\* Completed clusters are listed in previous annual reports.

### Round 3 clusters

Flagship	Cluster name	Cluster leader(s)	Other partners
Energy Transformed	The 'intelligent grid' – modelling distributed generation and interruptible load	Professor Stuart White, University of Technology Sydney	University of South Australia, UQ, CUT, Queensland University of Technology
Light Metals	Breakthrough technology for primary aluminium	Professor Geoff Brooks, Swinburne University	University of Auckland, University of Wollongong, UNSW, UQ
Preventative Health	The ASPREE healthy ageing cohort biobank	Professor John McNeil, Monash University	University of Melbourne, University of Tasmania, ANU, Ludwig Institute for Cancer Research

### Round 4 clusters

Flagship	Cluster name	Cluster leader(s)	Other partners
Climate Adaptation	Human health and climate change adaptation	Professor Anthony Capon, ANU	University of Western Sydney, Curtin University, UQ, University of Melbourne, James Cook University, Queensland Institute of Medical Research, Ove Arup Pty Ltd
Climate Adaptation	Regional adaptation to climate change – a case study in south-east Queensland	Professor Jan McDonald, Griffith University	UQ, University of Sunshine Coast
Minerals Down Under	Future sustainability of Australia's mineral industry	Professor David Brereton, UQ	University of Technology Sydney, CUT, Central Queensland University, ANU
Minerals Down Under	Preconcentration and agglomeration to enhance heap leaching of nickel laterite	Professor John Ralston, University of South Australia	UQ, University of Melbourne, University of British Columbia
Future Manufacturing	Sensor systems for analysis of aquatic environments	Professor Justin Gooding, UNSW	Griffith University, CUT, Monash University, Flinders University, La Trobe University

Preventative Health	STroke imAging pRevention and Treatment (START)	Professor Geoffrey Donnan, University of Melbourne	National Stroke Institute, Brain Research Institute, Neurosciences Victoria, Melbourne Health
Wealth from Oceans	Institutional and social barriers to science impact (Coastal Cluster)	Professor David Wood, CUT	University of Adelaide, Deakin University, Flinders University, University of Sunshine Coast, University of Tasmania, University of Wollongong

### Round 5 clusters

Flagship	Cluster name	Cluster leader(s)	Other partners
Water for a Healthy Country	Ecological Response to Altered Flow Regimes Cluster	Professor Stuart Bunn, Griffith University	To be confirmed <sup>^</sup>
Food Futures	Healthy complex cereal carbohydrates	Professor Geoff Fincher, University of Adelaide	University of Melbourne, University of Queensland, KTH University (Sweden).
Food Futures	Sex ratio and sterility for commercial animal production	Professor Michael Holland, UQ	To be confirmed <sup>^</sup>
Energy Transformed	Biological solutions for energy and greenhouse challenges	Professor Chris Easton, ANU	To be confirmed <sup>^</sup>

<sup>^</sup> Upon signing of final contract

## Appendix 2: Service Charter

CSIRO's Service Charter describes the standards of service we aim to deliver to our customers and our commitment to ensuring that these standards are maintained.

In summary:

- we believe our customers and partners are essential to our success
- we maintain relevance in our work through input from the public, government, industry and the research community
- we communicate with our customers in a courteous, helpful and professional manner
- we respect our customers' confidentiality
- we evaluate our services to ensure the highest standards.

Our full Service Charter is available on our website: [www.csiro.au/servicecharter](http://www.csiro.au/servicecharter)

CSIRO welcomes your feedback on our performance. Please contact the CSIRO officer with whom you have been dealing or CSIRO Enquiries who can direct your feedback to the relevant person.

**CSIRO Enquiries:**

Bag 10, Clayton South, VIC 3169

Phone: 1300 363 400

Fax: +61 3 9545 2175

Email: [enquiries@csiro.au](mailto:enquiries@csiro.au)

## Appendix 3: Administrative law

### Freedom of information

The *Freedom of Information Act 1982* (FOI Act) provides the public with a general right of access to documents held by Australian Government agencies including CSIRO. The general right is limited by exceptions to protect essential public interests or the privacy or business affairs of those who give information to the agency.

The following information is provided in compliance with section 8 of the FOI Act:

- the functions and powers of CSIRO are set out on page 83
- information about CSIRO's procedures for external consultation can be found at [www.csiro.au/SAC](http://www.csiro.au/SAC) and [www.csiro.au/FAC](http://www.csiro.au/FAC)
- CSIRO holds the following categories of documents:
  - corporate records including documents relating to government, policy, finance, personnel, business development, commercialisation, communication, real property, intellectual property and education
  - business unit records including documents relating to scientific research and technology transfer
- members of the public may obtain access to scientific and technical publications from **CSIRO PUBLISHING** ([www.publish.csiro.au](http://www.publish.csiro.au)). CSIRO administrative manuals are available from the Freedom of Information Officer.

Part V of the FOI Act confers a right to request amendment of a document to which lawful access has been granted, where the applicant claims that information in the document:

- relates to his or her personal affairs
- is incomplete, incorrect, out-of-date or misleading

- has been used, is being used, or is available for use by the agency or Minister for an administrative purpose.

In the year to 30 June 2010, CSIRO received 33 requests for information under the FOI Act and no requests for amendment in relation to documents provided under the Act.

### Archives, privacy, administrative decisions

CSIRO maintains an archives collection which includes records dating from the establishment in 1926 of the Council for Science and Industrial Research, the predecessor of CSIRO. Certain CSIRO records are held by Australian Archives. Disposal arrangements for CSIRO records are made in accordance with the provisions of the Archives Act 1983. Access to records over 30 years old is provided in accordance with that Act.

The *Privacy Act 1988* provides for Information Privacy Principles and National Privacy Principles. During 2009–10, there was one investigation under section 36 of the *Privacy Act 1988* in relation to CSIRO, which is subject to determination.

The *Administrative Decisions (Judicial Review) Act 1977* (ADJR Act) enables a person aggrieved by certain classes of administrative decisions made by Australian Government agencies, including CSIRO, to obtain reasons for or to challenge those decisions. During 2009–10, CSIRO received no challenges or requests for statements of reasons under the ADJR Act.

### Judicial decisions

During 2009–10, there were no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant impact on the operations of CSIRO.

## Reviews by outside bodies

During 2009–10, there were no reports on the operations of CSIRO by the Auditor-General (other than the report on the financial statements), a Parliamentary committee or the Commonwealth Ombudsman.

## Contact

All enquiries under the above legislation (including FOI requests) should be directed to:

Freedom of Information Officer and Privacy Officer

CSIRO, PO Box 225, Campbell ACT 2602

Phone: 02 6276 6123

Fax: 02 6276 6437

Email: [rosemary.caldwell@csiro.au](mailto:rosemary.caldwell@csiro.au)



## Appendix 4: Commonwealth disability strategy

For the purposes of the Commonwealth Disability Strategy (CDS), CSIRO's 'Role' is that of an 'Employer'.

Activities relevant to the Strategy form part of CSIRO's Workplace Diversity Plan. The plan responds to key diversity issues within

the Organisation, areas for action are diversity leadership, indigenous employment, education and awareness raising, and selection and recruitment.

Performance against the indicators issued by the Office of Disability is detailed in Table 5.1.

**Table 5.1: Disability strategy performance**

Performance indicator	Actions 2009–10
Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i> .	Policies and practices are reviewed annually. All CSIRO policies comply with the <i>Disability Discrimination Act 1992</i> and other relevant legislation. CSIRO is presently conducting a review of all policies as part of the implementation of the revised Policy Framework.
Recruitment information for potential job applicants is available in accessible formats on request.	All web authors comply with the Web Content Accessibility Guidelines. The establishment of a dedicated team of recruitment specialists ensures consistency of presentation and accessibility. Additional resources are available for staff and potential employees with hearing disabilities.
Agency recruiters and managers apply the principle of 'reasonable adjustment'.	CSIRO policy encourages managers to make reasonable adjustments to accommodate the needs of staff with a disability so that they can satisfy the inherent requirements of the job. CSIRO complies fully with the <i>Employment and the Disability Discrimination Act</i> .
Training and development programs consider the needs of staff with disabilities.	Development programs are conducted at venues that cater to the needs of participants with disabilities. Web training resources have been reviewed to ensure suitability for all staff, such as induction training delivered on-line and training for the implementation of the revised Code of Conduct.
Training and development programs include information on disability issues as they relate to the program.	There are various CSIRO supported programs which provide information on disability issues. Material on the CSIRO Intranet has been updated and includes information on diversity issues, such as new resources for the hearing impaired. During 2010, CSIRO will be introducing training courses for all staff and managers on a range of diversity related issues.
Complaints/grievance mechanisms, including access to external mechanisms, in place to address issues and concerns raised by staff.	CSIRO's values compass was introduced in 2009 to further evolve our culture and to support the execution of CSIRO's strategy. Two aspects of the compass that relate to this performance indicator are: Trust and Respect and Safety and Sustainability. CSIRO has well-developed and publicised internal mechanisms for resolving complaints both formally and informally. In the formal stages, matters involve investigation by an independent investigator. There is also scope to refer the matter to the Human Rights and Equal Opportunity Commission. There have been no instances of complaints based on disability issues. CSIRO is always striving to improve its practices and education to prevent staff grievances.

## Appendix 5: Consultancy services

CSIRO's policy on selection and engagement of consultants is based on the principles of:

- value for money
- open and effective competition
- ethics and fair dealing
- accountability and reporting
- national competitiveness and industry development
- support for other Australian Government policies.

These principles are included within CSIRO's Procurement Policy and Procedures.

CSIRO engages individuals and companies to provide professional services, taking account of the skills and resources required for the task, the skills available internally and the cost-effectiveness of these options.

CSIRO spent \$1,249,355 (including goods and services tax (GST)) on consultancies during 2009–10 (\$736,652 in 2008–09). There were 35 consultancies let during the year with the total whole-of-life value of \$2,282,903 (including GST) (\$1,634,572 in 2008–09). Table 5.2 provides details of consultancy services let by CSIRO during 2009–10 with a contract value, GST inclusive, of \$10,000 or more.

### Notes to table:

Reason code	Reason for consultancy
IS	Need for independent study/evaluation.
PA	Need for professional assistance to manage and facilitate change and its consequence.
SS	Specialist skills were not otherwise available.
Procurement code	Procurement method
PM	An existing panel member – this category includes standing offers, common use arrangements and approved supplier panels.
OT	Tenders sought from the market place (Request for Proposal, Request for Tender, Expressions of Interest).
ST	Tenders being sought from suppliers who have pre-qualified through some form of previous competitive process.
RQ	Purchasing thresholds consistent with CSIRO's minimal standards.
EX	Exemption arrangement such as sole supplier, pre-eminent expertise or urgency and/or practicality.

**Table 5.2: Consultancy services**

Registration number	Consultant	Nature and purpose of consultancy	Estimated total life cost of consultancy \$ (GST inclusive)	Reason for consultancy	Procurement method
2009/07/01	Stuart Anderson	Investigate the viability of the Australian Resources Research Centre (ARRC) precinct becoming a direct heat geothermal demonstration site.	27,500	IS	EX
2009/07/03	Phillip Wing	Advice to CSIRO's Commercial Executive Committee.	55,000	IS	EX
2009/08/01	Dr John Rolfe	Produce a report on the issues relating to public and private conservation of river systems in Northern Australia.	21,780	SS	EX
2009/08/02	Andrew Parker / Greg Sam	Provide strategy for managing release of CSIRO Performance.	44,000	IS	EX
2009/08/03	Dr Anthony Filmer	Provide advice on mining and exploration strategies.	10,000	SS	EX
2009/09/01	Australian Aerospace and Defence Innovations	Provide assistance and guidance in negotiations with the Department of Defence regarding technology applications	200,000	SS	EX
2009/10/01	Mal Bryce	(i) Assist with concluding the Interim Pawsey Centre Project Plan, including negotiation with key stakeholders (ii) Help conclude negotiations over the CSIRO/DIISR Pawsey Centre Funding Agreement.	35,000	IS	EX

Registration number	Consultant	Nature and purpose of consultancy	Estimated total life cost of consultancy \$ (GST inclusive)	Reason for consultancy	Procurement method
2009/10/02	Eyal Halamish	Recruitment of Eyal Halamish to develop a social maturation curve on biodiversity for CSIRO.	55,000	SS	EX
2009/12/01	ACIL Tasman Pty Ltd (David Campbell)	Provided a report that articulates the rationale for investment in CSIRO and establishes an appropriate framework for evaluating the benefits delivered by that investment.	20,000	IS	EX
2009/12/02	IPS Australasia	Provide drilling cost estimates for Pawsey Centre/ARRC geothermal demonstration site component for CSIRO Education Investment Fund (EIF) proposal.	11,435	IS	EX
2010/02/01	Knowledge Teams International	Provide leadership coaching.	13,627	SS	EX
2010/02/02	Peter Veth	Develop protocol documents regarding an audit and repatriation of information and materials relevant to Indigenous people. Duration three months.	72,900	SS	EX
2010/02/03	Sarah Holcombe	Develop protocol documents regarding an audit and repatriation of information and materials relevant to Indigenous people. Duration three months.	18,350	SS	EX

Registration number	Consultant	Nature and purpose of consultancy	Estimated total life cost of consultancy \$ (GST inclusive)	Reason for consultancy	Procurement method
2010/02/06	Adam Smith, Rob Mules and Warwick Sayers	Provide the design of a central Spatial Data Infrastructure to support the objectives of the Data Consolidation program and enhance the work of GIS analysts across the Organisation.	15,400	PA	RQ
2010/02/07	Geoff Ball	Identify strategic priorities for the new Food and Nutritional Sciences (FNS) Division. To assist the Chief (Dr Martin Cole) and the FNS Executive by conducting an initial assessment of key business areas including: finances, science capability and activities, external engagement, and outcome targets/Themes. Duration: five months	42,900	SS	EX
2010/02/08	Centre for International Economics	Investigate wheat quality research. Assemble both qualitative and quantitative research and analysis relating to wheat quality research.	60,000	IS	RQ
2010/02/09	PricewaterhouseCoopers	Provide an independent assessment of the maturity of CSIRO's Procurement function against industry standards and identification of process improvement of streamlining opportunities.	61,600	IS	ST

Registration number	Consultant	Nature and purpose of consultancy	Estimated total life cost of consultancy \$ (GST inclusive)	Reason for consultancy	Procurement method
2010/02/10	Deloitte	Provide a range of internal audit services in collaboration with CSIRO Risk Assessment and Audit (RA&A), on a project-by-project basis, to complement and enhance the services currently provided by RA&A. Specifically, these will include information technology audits, as well as environmental and health and safety reviews.	200,000	IS	OT
2010/02/11	PricewaterhouseCoopers	Undertake review program to support CSIRO Functional Investment and Review Process and assessment of support services against best practice.	300,000	IS	OT
2010/02/12	Deloitte	Expert advice on/facilitation of CSIRO strategy development for 2011–15.	300,000	SS	OT
2010/03/01	PLAUT IT Australia	Conduct independent 'Health Check' on Business Warehouse implementation.	16,500	IS	OT
2010/03/03	Health 2 Organisations	Provide strategic communication services.	69,000	IS	EX
2010/03/04	Christine Charles	Develop a Mineral Futures Forum.	50,000	IS	EX

Registration number	Consultant	Nature and purpose of consultancy	Estimated total life cost of consultancy \$ (GST inclusive)	Reason for consultancy	Procurement method
2010/04/19	Ernst & Young	Review capital funding requirements and associated treatments. Provide 10-year capital plan in support of the CSIRO Lapsing Program Review.	100,000	IS	ST
2010/04/20	ACIL Tasman Pty Ltd (Contact: David Campbell)	Identify and apply agreed methodologies to a range of CSIRO's activities to demonstrate the economic, environmental and social impacts of CSIRO in appropriate terms in support of the CSIRO Lapsing Program Review.	220,000	IS	OT
2010/05/01	Reflecta	Advise on MyCSIRO internet/intranet usability.	11,265	SS	RQ
2010/05/02	Logica	Undertake Security Risk Assessment required for externally hosted vendor system.	32,868	IS	OT
2010/05/03	HBA Consulting	Provide specialist industrial relations advice to support the negotiation of the Canberra Deep Space Communication Complex Enterprise Agreement.	40,000	SS	EX
2010/05/04	Deloitte Touche Tohmatsu	Provide specialist evaluation services.	20,000	IS	OT

Registration number	Consultant	Nature and purpose of consultancy	Estimated total life cost of consultancy \$ (GST inclusive)	Reason for consultancy	Procurement method
2010/06/01	Ogilvy Illumination	The Consultant will provide confidential and expert advice to assist in establishing a comprehensive set of benchmark measures and data in relation to community awareness and attitudes towards CSIRO.	92,533	IS	EX
2010/06/02	Dr Orlando Jimenez trading as RDG Consultant Ltd	Extensive understanding of the mining industry in Chile and background working with the Chilean Government.	42,045	PA	EX
Total value of consultancies below \$10,000 (4 consultancies)			<b>\$24,200</b>		
<b>Total value of consultancies let during 2009–10</b>			<b>\$2,282,903</b>		



## Appendix 6: Publications and intellectual property data

The number of publications produced by CSIRO reflects our contribution to, and hence ability to access, the world's knowledge base. CSIRO reports on four types of publications: journal articles, books/chapters, conference papers and technical reports as shown in Table 5.3.

**Table 5.3: CSIRO publications by type (Programs 1 and 2)**

Publication Type <sup>(a)</sup>	2005	2006	2007	2008	2009
Journal Articles	1,945	2,198	2,239	2,542	2,542
Books/ Chapters	238	227	234	363	237
Conference Papers	1,852	1,830	1,525	1,911	1,664
Technical Reports	620	676	613	145	216
<b>Total</b>	<b>4,655</b>	<b>4,931</b>	<b>4,611</b>	<b>4,961</b>	<b>4,659</b>
Number of Researchers	1,847	1,876	1,912	1,990	2,052
Citations per paper <sup>(b)</sup>	10.46	11.09	12.17	12.56	13.83
Total Publications / Researcher <sup>†</sup>	2.5	2.6	2.4	2.5	2.3

<sup>(a)</sup> See glossary page 211 for definition of publication types.

<sup>(b)</sup> Data updated as of 1 May 2010 to cover a ten-year plus two-month period, 1 January 2000 – 28 February 2010.

CSIRO actively manages the commercialisation of its intellectual property (IP) to promote uptake and application of the technology in ways that will maximise the benefit to Australia. CSIRO has a comprehensive IP Management Policy that includes information on IP ownership, IP protection, disclosure of information and procedures for managing IP via CSIRO Laboratory Notebooks. The output of IP in the form of inventions, patents, trademarks, plant breeder's rights and registered designs is shown in Table 5.4. For information on investing in CSIRO technologies go to:

[www.csiro.au/org/ps25.html](http://www.csiro.au/org/ps25.html)

**Table 5.4: CSIRO Intellectual property by type**

IP Category <sup>(a)</sup>	Sub Category	2005–06	2006–07	2007–08	2008–09	2009–10
Patents	Current PCT applications	74	91	111	97	90
	Granted	2113	2067	1933	1625	1630
	Live Cases	4084	3922	3787	3710	3379
Inventions	Patent Families	780	734	741	743	712
	New	90	84	67	80	99
Trade Marks	Australian	281	287	291	265	263
	Foreign	91	104	113	130	114
Plant Breeders Rights	Australian	113	119	122	122	122
	Foreign	17	25	25	25	21
Registered Designs	Australian	2	3	2	2	2
	Foreign	12	12	11	10	10
New inventions / Researcher <sup>†</sup>		0.04873	0.04478	0.03504	0.04021	0.04676

<sup>(a)</sup> IP categories are defined in the glossary on page 211.

<sup>†</sup> The definition of researcher has changed from the 2008–09 Annual Report. Previously researcher was defined as staff with a principal functional area of research scientist/engineer only. The inclusion of three other principal functional areas has lowered the results compared to those reported last year. However, the trend is the same.

# Appendix 7: Science and Industry Endowment Fund Annual Report 2009–10

Originally established by an Act of Parliament in 1926 with an appropriation of 100,000 pounds, the Science and Industry Endowment Fund (SIEF) has, since its inception, been providing funds to assist:

- persons engaged in scientific research
- the training of students in scientific research.

On 20 October 2009, CSIRO announced its intention to make a substantial gift of up to \$150 million to SIEF for the purposes of scientific research. This donation will be used to assist Australian industry, further the interests of the Australian community and contribute to the achievement of Australian national objectives. This gift has given SIEF a renewed relevance to the scientific landscape in Australia, increasing the scale and scope of promoting scientific endeavours.

Following the gift of CSIRO funds, which to date includes two tranches of \$50 million each, SIEF has been transformed into Australia's first philanthropic endowment fund in the field of general science.

For convenience, the Fund's Annual Report, including financial statements, is annexed to the CSIRO Annual Report and, for financial year 2009–10, the Fund's accounts are also consolidated with those of CSIRO under the relevant Australian Accounting Standard. The Fund remains a separately constituted trust for statutory purposes under the *Science and Industry Endowment Act 1926* (Act) with its own role and character distinct from CSIRO. As Trustee of the Fund, I am determined to ensure that Australia gets maximum benefit from the additional scientific research that has been made possible by the licensing of one of our most successful inventions.

The renewed SIEF was officially launched by Senator the Honourable Kim Carr who acknowledged the CSIRO scientists and management involved in the success of the wireless local area network (WLAN) technology, a success that made the substantial

donation possible. The proceeds of the WLAN technology will be used to fund nationally important research which could not be funded in the normal course of CSIRO's business.

Senator Carr highlighted some of the distinguishing attributes of the trust fund, identifying it as the 'start of something significant and long-term' that would target resources at 'the really big questions' through funding 'special projects' and thereby 'extend our capacity to solve problems and improve lives'.

The first gift of funds was made on 15 October 2009 and marked by a signing ceremony conducted by Dr Megan Clark (Chief Executive, CSIRO), in her capacity as Trustee of SIEF, and Dr John Stocker (Chairman, CSIRO).

The second gift of funds was made on 6 January 2010. The third gift is anticipated to be made in the 2010–11 financial year.

## Management and Governance of SIEF

Dr Megan Clark's role as Trustee of the SIEF arises under the *Science and Industry Endowment Fund Act 1926* that establishes SIEF. The Act mandates that the Trustee will be the Chief Executive of CSIRO from time to time. The Trustee is assisted in her role by the SIEF Advisory Council, which currently consists of:

- Professor Alan Robson (Chair), Vice-Chancellor, University of Western Australia
- Professor Margaret Shiel, CEO, Australian Research Council
- Professor Tom Spurling, Research Professor, Swinburne University
- Dr Ezio Rizzardo, Research Scientist and CSIRO Fellow
- Mr Nigel Poole, Executive Director Commercial, CSIRO.

The Advisory Council is supported in its functions by the Secretary, Ms Katrina O'Leary.

The Advisory Council's role is to provide independent advice and recommendations to the Trustee in relation to the making of grants and funding of proposals out of the assets of the SIEF.

As contemplated at the time of the initial gift of funds, CSIRO has entered into a Services Agreement with SIEF, to provide SIEF with the necessary support it will require in order to properly manage the funds, including administering the applications process, financial management, oversight of projects, publicity and contracts. This Services Agreement was entered on the 15 October 2009 and marked with a signing ceremony between Dr Megan Clark (as Trustee of SIEF) and Mr Mike Whelan, CSIRO Deputy Chief Executive.

## Application of Funds

CSIRO has attached a number of conditions to the gift of funds which establishes how the Trustee determines how to apply funds from the SIEF assets.

In particular, CSIRO specified \$10 million to be applied to expand research to the CSIRO Information and Communication Technologies (ICT) Centre Wireless Laboratory (in recognition of the source of the gifted funds), \$2 million to endow a Professorial Chair at Macquarie University in wireless communications, and \$7.5 million to establish scholarships and fellowships with a focus on ICT, Mathematics and Engineering to be known as the John Stocker Postdoctoral Fellowships and Scholarships.

Implementation of these programs is underway and it is anticipated that funding for these purposes will be applied during the 2010–11 financial year.

Additional projects will be selected for funding by the Trustee on the recommendation of the Advisory Committee throughout 2010–11 in accordance with the broad strategic objectives of the SIEF, as well as specifically identified Special Purpose Areas.



Signing of the Deed of Gift between CSIRO and SIEF on 15 October 2009. Seated: Signatories Dr John Stocker (Chairman, CSIRO) and Dr Megan Clark (Chief Executive, CSIRO and Trustee of SIEF). Left to right: Mr Mike Whelan, Professor Ian Chubb, Professor Tom Spurling, Ms Katrina O'Leary, the Honourable John Kerin, Mr Terry Healy, Dr Terry Cutler, Ms Mary Boydell, Dr Eileen Doyle, Mr Douglas Rathbone, Mr Nigel Poole and Dr Alastair Robertson. Credit: Simon Bayliss



Signing of the Services Agreement between the SIEF Trustee, Dr Megan Clark (at right) and CSIRO, represented by Mr Mike Whelan. Credit Simon Bayliss

## Building SIEF into the Future

The launch of the renewed SIEF not only marks a major milestone in the history of Australian scientific endeavour, but heralds a new era in Australia's approach to the funding of science.

Inspired by the best tradition of philanthropic action, such as that of the United States of America, in the words of Senator Carr, 'the time has come for us to build our own tradition of private support for research that serves the public good'.

The renewed SIEF represents the crucial first step in establishing Australia's own culture of philanthropy, and the SIEF's vision for the future has been precisely articulated by the Minister for Innovation, Industry, Science and Research as follows:

'We want the Science and Industry Endowment Fund to become a great national resource, augmented by donations from industry and other benefactors who share our passion for science and our faith in its ability to make the world a better place.'



The SIEF Advisory Council, left to right: Professor Tom Spurling, Dr Ezio Rizzardo, Professor Alan Robson, Professor Margaret Shiel, Mr Nigel Poole and Ms Katrina O'Leary (Secretary). Credit: Simon Bayliss



## INDEPENDENT AUDITOR'S REPORT

### To the Trustee of Science and Industry Endowment Fund

I have audited the accompanying financial report of the Science and Industry Endowment Fund which comprises the Statement by Trustee, Statement of Comprehensive Income for the year ended 30 June 2010, the Balance Sheet as at 30 June 2010, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and Notes to and forming part of the Financial Statements including a Summary of Significant Accounting Policies.

#### *The Trustee's Responsibility for the Financial Report*

The Trustee of the Science and Industry Endowment Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on my audit. I 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

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accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

***Independence***

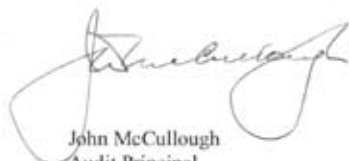
In conducting my audit, I have complied with the independence requirements of the Australian National Audit Office, which incorporates the requirements of the Australian Accounting Profession.

**Auditor's Opinion**

In my opinion, the financial statements of the Science and Industry Endowment Fund:

- (i) have been prepared in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (ii) give a true and fair view of the matters required by Australian Accounting Standards (which include the Australian Accounting Interpretations) including the Science and Industry Endowment Fund's financial position as at 30 June 2010 and of its financial performance for the year ended on that date.

Australian National Audit Office



John McCullough  
Audit Principal  
Delegate of the Auditor-General

Canberra  
27 August 2010

**SCIENCE AND INDUSTRY ENDOWMENT FUND  
STATEMENT BY TRUSTEE**

In our opinion, the attached financial statements for the year ended 30 June 2010 have been prepared based on properly maintained financial records and in accordance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, and give a true and fair view of the financial position of the Fund as at 30 June 2010 and of its performance for the year then ended.

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



**Megan Clark**  
Trustee of the Science and  
Industry Endowment Fund

25 August 2010



**David Toll**  
Acting Chief Financial Officer of CSIRO  
as service provider to the Science and Industry  
Endowment Fund

18 August 2010



**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2010**

	Notes	2010 \$	2009 \$
<b>EXPENSES</b>			
Scientific research grants	8	2 533 025	18 817
Gift fund establishment fees		203 489	-
Gift fund services fees		354 464	-
Audit fees		7 000	-
Bank fees		31	29
In-kind expenses:			
– advertising and approval fees	4	4 419	4 340
– accounting, secretarial and audit	4	-	6 420
<b>Total expenses</b>		<b>3 102 428</b>	<b>29 606</b>
<b>LESS:</b>			
<b>REVENUE</b>			
Gift income		150 000 000	-
Interest		3 198 744	33 742
In-kind contributions received	4	4 419	10 760
<b>Total revenue</b>		<b>153 203 163</b>	<b>44 502</b>
<b>Net surplus</b>		<b>150 100 735</b>	<b>14 896</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>150 100 735</b>	<b>14 896</b>

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**BALANCE SHEET**  
**As at 30 June 2010**

	Notes	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	5	98 569 482	527 313
Sundry debtors		50 000 000	-
Interest receivable	6	1 854 002	11 281
GST receivable		298 400	-
Prepayments	8	482 398	-
<b>Total current assets</b>		<b>151 204 282</b>	<b>538 594</b>
<b>TOTAL ASSETS</b>		<b>151 204 282</b>	<b>538 594</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued expenses	7	564 953	-
<b>Total current liabilities</b>		<b>564 953</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>564 953</b>	<b>-</b>
<b>NET ASSETS</b>		<b>150 639 329</b>	<b>538 594</b>
<b>EQUITY</b>			
Contributed equity		200 000	200 000
Accumulated surpluses		150 439 329	338 594
<b>TOTAL EQUITY</b>		<b>150 639 329</b>	<b>538 594</b>

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2010**

	Accumulated Surpluses		Contributed Equity		Total Equity	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
<b>Balance as at 1 July</b>	<b>338 594</b>	<b>323 698</b>	<b>200 000</b>	<b>200 000</b>	<b>538 594</b>	<b>523 698</b>
Net surplus	150 100 735	14 896	-	-	150 100 735	14 896
<b>Closing balance at 30 June</b>	<b>150 439 329</b>	<b>338 594</b>	<b>200 000</b>	<b>200 000</b>	<b>150 639 329</b>	<b>538 594</b>

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**CASH FLOW STATEMENT**  
**For the year ended 30 June 2010**

	Notes	2010 \$	2009 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Gift receipts from CSIRO		100 000 000	-
Interest received		1 356 023	40 108
<b>Total cash received</b>		<b>101 356 023</b>	<b>40 108</b>
<b>Cash used</b>			
Payments to grantees		3 015 423	18 817
GST paid		298 400	-
Bank fees paid		31	29
<b>Total cash used</b>		<b>3 313 854</b>	<b>18 846</b>
<b>Net cash provided by operating activities</b>	9	<b>98 042 169</b>	<b>21 262</b>
Net increase in cash held		98 042 169	21 262
Cash at the beginning of the reporting period		527 313	506 051
<b>Cash at the end of the reporting period</b>		<b>98 569 482</b>	<b>527 313</b>

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2010**

**Note 1 Summary of Significant Accounting Policies**

**1.1 Basis of Preparation of the Financial Statements**

The financial report is required by section 10 of the *Science and Industry Endowment Act 1926* and is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention. No allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenues and expenses are recognised in the Statement of Comprehensive Income when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

**1.2 Cash**

For the purpose of the Statement of Cash Flows, cash includes cash at bank and deposits at call. They are readily convertible to cash.

**1.3 Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**1.4 Resources Received Free of Charge**

Services received free of charge are recognised as gains 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.

**1.5 Financial Instruments**

Accounting policies for financial instruments are stated in Note 10.

**Note 2 Principal Activity**

The Fund was established under the *Science and Industry Endowment Act 1926* with the Trustee of the Fund being the CSIRO Chief Executive. An appropriation of 100 000 pounds was received at the time the fund was established. The funds were invested and have subsequently earned interest over time.

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

### New Gift October 2009

In October 2009, Senator Carr announced a gift of \$150 million to be donated by CSIRO to the Science and Industry Endowment Fund. The gift is intended to be used for scientific research for the purposes of assisting Australian industry, furthering the interests of the Australian community or contributing to the achievement of Australian national objectives. The gift was made subject to the terms of a Deed of Gift between the Trustee and CSIRO dated 15 October 2009.

As at 30 June 2010, \$100 million had been received. The third and final instalment of \$50 million will be received in financial year 2010/11.

### Note 3 Contingencies and Commitments

No contingent liabilities exist as at 30 June 2010.

#### Schedule of Commitments

##### BY TYPE

	2010 \$	2009 \$
Grants payable	13 717 600	-
<b>Total grants payable</b>	<b>13 717 600</b>	<b>-</b>

### Note 4 Estimated value of resources provided free of charge by CSIRO or ANAO are as follows:

– accounting and secretarial services	-	3 420
– advertising and approval fees	4 419	4 340
– financial statement audit services provided free of charge by the Auditor-General	-	3 000
<b>Total</b>	<b>4 419</b>	<b>10 760</b>

### Note 5 Cash (current)

Cash at bank	5 329 911	27 313
Deposits – at call	93 239 571	500 000
<b>Total</b>	<b>98 569 482</b>	<b>527 313</b>

### Note 6 Receivables (current)

Interest receivable	1 854 002	11 281
	<b>1 854 002</b>	<b>11 281</b>
Gross receivables are aged as follows:		
Not overdue	<b>1 854 002</b>	<b>11 281</b>

<b>Note 7 Accrued expenses</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Establishment costs	203 489	-
Service fee under Services Agreement with CSIRO	354 464	-
Audit fee	7 000	-
<b>Total</b>	<b>564 953</b>	<b>-</b>
<b>Note 8 Scientific research grants</b>		
CREST Program awards	31 423	18 817
CSIRO ICT Centre grants	2 984 000	-
Less: <i>prepaid research grants</i>	(482 398)	-
<b>Total</b>	<b>2 533 025</b>	<b>18 817</b>
<b>Note 9 Cash Flow Reconciliation</b>		
Reconciliation of operating surplus to net cash from/(used by) operating activities:		
<b>Operating surplus/(deficit)</b>	150 100 735	14 896
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	(52 141 121)	6 366
(Increase)/decrease in prepayments	(482 398)	
Increase/(decrease) in payables	564 953	-
<b>Net cash from/(used by) operating activities</b>	<b>98 042 169</b>	<b>21 262</b>

**Note 10 Financial Instruments**

**10A: Categories of Financial Instruments**

	2010	2009
	\$	\$
<b>Financial Assets</b>		
Cash	98 569 482	527 313
Sundry Debtors	50 000 000	-
Interest Receivable	1 854 002	11 281
<b>Total financial assets</b>	<b>150 423 484</b>	<b>538 594</b>
<b>Financial liabilities</b>		
Supplier Payables	564 953	-
<b>Total financial liabilities</b>	<b>564 953</b>	<b>-</b>

The net value of the financial assets are their carrying amounts.

**10B: Credit risk**

SIEF is exposed to minimal credit risk as financial assets represent cash and short term deposits held at reputable Australian financial institutions and receivables from the CSIRO. For the purpose of this note GST receivables are not disclosed as financial instruments as they do not meet the definition of a financial asset. SIEF has assessed the risk of default on payment to be nil as of 30 June 2010 (2009: nil).

**10C: Liquidity risk**

SIEF's financial liabilities are supplier payables. The exposure to liquidity risk is based on the notion that SIEF will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to funding that is in place and internal policies and procedures to ensure that there are appropriate resources to meet its financial obligations.

**10D: Market risk**

SIEF holds basic financial instruments that do not expose SIEF to any market, currency or other price risk.

**10E: Interest rate risk**

SIEF maintains an operating bank account and short term deposits which are subject to short term interest rates. Funds are maintained in term deposits for short periods. In 2009/10 the average return on cash and short term deposits was 5.54% (2009: 6.64%).