





## PART 6 APPENDICES

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## Appendix 1: Flagship Collaboration Fund Clusters

During 2010–11, approximately \$17.2 million was disbursed from the Flagship Collaboration Fund. Overall 94 per cent of the initial \$114.25 million had been committed to scholarships, fellowships, projects and clusters. Three new clusters involving 14 national and international universities and industry partners were approved for funding. Active clusters are listed below. Completed clusters are listed in previous annual reports.

Year	06–07	07–08	08–09	09–10	10–11
Disbursement (\$m)	8	15.5	14	16.7	17.2
Committed (\$m)	50	56	88	96	108

### Round 2 clusters

Flagship	Cluster name	Cluster leader(s)	Other partners
Wealth from Oceans	Subsea pipelines for reliable and environmentally safe development	Professor Mark Cassidy, University of Western Australia (UWA)	Curtin University of Technology (CUT), Flinders University, Monash University, University of Sydney, University of Queensland (UQ)

### 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 New South Wales (UNSW), UQ
Preventative Health	The ASPREE healthy ageing cohort biobank	Professor John McNeil, Monash University	University of Melbourne, University of Tasmania, Australian National University (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	UNSW, Charles Sturt University, Monash University, Latrobe University, Australian Rivers Institute (Griffith University)
Food Futures	Healthy complex cereal carbohydrates	Professor Geoff Fincher, University of Adelaide	University of Melbourne, UQ
Food Futures	Sex ratio and sterility for commercial animal production	Professor Michael Holland, UQ	University of Newcastle, Murdoch Children's Research Institute, Monash University, Flinders University, Simon Fraser University (Canada), Central Michigan University
Energy Transformed	Biological solutions for energy and greenhouse challenges	Professor Chris Easton, ANU	University of Manchester, UQ, Royal Melbourne Institute of Technology

## Appendix 2: Service Charter

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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.

In the year to 30 June 2011, CSIRO received 44 requests for information under the FOI Act.

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 84
- 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 CSIRO to amend 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 2011, CSIRO received no requests for amendments of personal information under the FOI Act.

Information on CSIRO's implementation of the Information Publication Scheme (IPS) can be found on page 89.

### 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 20 years old is provided in accordance with that Act.

The *Privacy Act 1988* provides for Information Privacy Principles and National Privacy Principles. During 2010–11, the Office of the Australian Information Commissioner did not undertake any investigations under section 36 of the *Privacy Act 1988* in relation to CSIRO.

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 2010–11, CSIRO received no challenges or requests for statements of reasons under the ADJR Act.

## Judicial Decisions

During 2010–11, 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 2010–11, 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: 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 \$1,845,670 (including goods and services tax (GST)) on consultancies during 2010–11 (\$1,249,355 in 2009–10). There were 25 consultancies let during the year with the total whole-of-life value of \$1,917,497 (including GST) (\$2,282,903 in 2009–10). Table 6.1 provides details of consultancy services let by CSIRO during 2010–11 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 6.1: Consultancy services**

Registration number	Consultant	Purpose	Cost <sup>1</sup>	Reason	Method
2010/08/01	TPI Consultants	The consultant will provide advice to the CSIRO Software Services team in relation to ICT benchmarking services.	11,440	SS	PM
2010/09/01	Wohlers Associates, Inc.	The consultant will create an industry-aligned Technology Roadmap for Additive Fabrication in Australia, with a particular focus on metals, especially Titanium.	60,000	IS	EX
2010/09/02	Katrina Spencer	CSIRO has patented a genetic method for producing high-levels of fructans in grains. The purpose of this consultancy is to scope out the options and directions for CSIRO to commercialise this technology.	19,999	IS	RQ
2010/09/03	Paul Hogie and Paul McFadden	The consultant will advise on eResearch enterprise data and information management, business transformation and strategy formulation, planning and implementation implications.	191,400	SS	ST
2010/09/04	Richard Sauerman	The consultant will work with CSIRO Communications to progress development and implementation of CSIRO brand strategy.	65,000	IS	EX
2010/10/01	Pacific Strategy Partners	The consultant will develop a detailed strategy identifying priorities in building an e-enabled organisation that impacts nationally and internationally through collaborative support for science-based integrated support tools, technologies and infrastructure.	210,000	SS	OT
2010/12/01	Willem Bouma	The consultant will review and edit the First Order Draft of Climate Change in the Pacific Technical Report.	13,800	SS	RQ

<sup>1</sup> Estimated total life cost of consultancy \$ (GST inclusive)

Registration number	Consultant	Purpose	Cost <sup>1</sup>	Reason	Method
2010/12/02	Nice Idea Creative Pty Ltd	The consultant will design and produce a range of communication materials, templates, a visual identity style guide, and a logo, presenting up to six finished logos to presentation standard.	68,000	IS	EX
2011/01/01	Mantrax Ventures Pty Ltd	The consultant will assist CSIRO to promote the RAFT technology within TCG Life Sciences Pty Ltd client base, to identify and facilitate R&D collaboration/licenses with appropriate clients.	21,000	SS	EX
2011/01/02	451 Consulting	The consultant will provide expert advice on using the performance measurement process (PuMP) for the 2011–15 CSIRO Strategy.	11,000	PA	EX
2011/02/01	Martin Grabert	The consultant will undertake evaluation of selected aspects of CSIRO's International Strategy 2007–11, as well as provide advice on relevant developments in European science, as input to CSIRO's next international strategy.	16,500	SS	RQ
2011/02/03	Dr David Cousins	The consultant will prepare an evaluation framework and assist CSIRO staff in conducting an initial evaluation within the Department of Primary Industries (Victoria) and CSIRO collaborative research relationship.	61,500	SS	RQ
2011/02/04	Rhodes Shapter	The consultant will provide a strategy for the development of brand campaigns including strategy development and creative concept development.	196,600	SS	EX

<sup>1</sup> Estimated total life cost of consultancy \$ (GST inclusive)

Registration number	Consultant	Purpose	Cost <sup>1</sup>	Reason	Method
2011/02/05	Josh Tai	The consultant will provide Desktop external review and analysis of market size, case studies, and forecasts for target markets and arenas, to assist the Business Development group explore step change growth options for CSIRO.	61,490	SS	EX
2011/04/01	OTM Consulting Ltd	The consultant will work with CSIRO to develop and commercialise the Near Wellbore Characterisation Tool to ensure that a commercially and technically strong Joint Industry Project collaboration can be established within a rapid time frame.	25,000	IS	EX
2011/05/01	Centre for International Economics (CIE)	The consultant will refine and validate a Strategic Framework for CSIRO impact planning, monitoring and characterisation. External validation will improve the robustness of CSIRO's impact evaluation framework.	88,000	IS	OT
2011/05/02	Deloitte Touche Tohmatsu	The consultant will undertake economic evaluation, investment planning and business model development designed to prepare material to invite third party investment in the Australian Biosecurity Intelligence Network.	85,000	IS	OT
2011/05/03	PricewaterhouseCoopers	The consultant will conduct an independent review to improve the efficiency, effectiveness and service delivery of finance operations and procurement.	121,000	IS	OT
2011/05/04	PricewaterhouseCoopers	The consultant will develop concept options for five of the major research precincts under consideration.	145,659	IS	OT

<sup>1</sup> Estimated total life cost of consultancy \$ (GST inclusive)

Registration number	Consultant	Purpose	Cost <sup>1</sup>	Reason	Method
2011/06/01	Deloitte	The consultant will design, develop and handover an Excel based financial model to support CSIRO's 2011–15 strategy process.	55,000	SS	OT
2011/06/02	Ernst & Young	The consultant will develop a strategic business case for the establishment of a South Australian based Australian Institute for Food and Nutrition Research.	76,778	SS	RQ
2011/06/03	Rockwater Pty Ltd	The consultant will provide specialist hydrogeological advice in relation to the scoping of a geothermal project at the Pawsey Centre and the Australian Resources Research Centre (ARRC) site.	222,349	SS	EX
2011/06/05	Grosvenor Management Consulting Pty Ltd	The consultant will undertake a Functional review of CSIRO Property Services.	73,082	IS	RQ
Total value of consultancies below \$10,000			<b>17,900</b>		
<b>Total value of consultancies let during 2010–11</b>			<b>1,917,497</b>		

<sup>1</sup> Estimated total life cost of consultancy \$ (GST inclusive)

## Appendix 5: Science and Industry Endowment Fund Annual Report 2010–11



Dr Megan Clark  
Trustee SIEF

As Trustee of the Science and Industry Endowment Fund (SIEF), it is a pleasure to share with you the progress we have made this year in supporting some very exciting and promising science being undertaken in a truly collaborative way. The Fund exists to support research that assists Australian industry, furthers the interests of the Australian community or contributes to the achievement of Australian national objectives.

### SIEF funded research

SIEF's unique placement in Australia's science community, as an independent fund, has been recognised by the scientific community through the submission of hundreds of project suggestions over the course of 2010–11. The quality of the researchers seeking involvement with SIEF has enabled the Fund to address issues of urgent national need using the best researchers in Australia to tackle those issues collaboratively. SIEF's involvement with selected projects has been effective in drawing additional investment into these projects from other sources, thereby leveraging the value of the Funds' investment in science and multiplying the potential for addressing key national and global needs with science.

In the second year of its rejuvenation following the substantial gift of funds from CSIRO, SIEF's strategy of funding projects which exhibit a high level of collaboration in areas of national priority, has seen it fulfil a unique role in Australia's science landscape. As the outcomes of these elite projects emerge, they provide potential for extraordinary benefits to our whole community.

One of the urgent challenges being tackled by SIEF is the need to ensure local and global food security. The Fund is sponsoring two projects that are investigating how to utilise more effectively the benefits of hybrid crops to increase yields. We have known for a long time that hybrid plants often have higher yields than their parents, but how this happens has remained a mystery. One of these projects looks to unlock this mystery and the other will look at asexual seed formation. These projects offer new methodologies in plant breeding in response to the need for increased yields and adaptation to climate change. In isolation, each can provide dramatic advances in crop breeding, but in combination they have the potential to deliver a new paradigm in agricultural production.

Another urgent challenge, as our population ages, is to better understand the mechanisms of healthy ageing. SIEF is supporting four leading research organisations from around Australia to enhance a major study investigating the mechanisms of Alzheimer's disease, early detection methods and healthy ageing. All these projects promise outcomes of real benefit to all Australians.



## SIEF Governance

I would like to sincerely thank the Advisory Council, composed of some of the luminaries of Australian science, who have ensured the projects funded are of the highest quality and potential benefit. The current members of the Advisory Council are:

- Professor Alan Robson (Chair), Vice-Chancellor, University of Western Australia
- Professor Margaret Sheil, Chief Executive Officer, Australian Research Council
- Professor Tom Spurling, Professor, Faculty of Life and Social Sciences Swinburne University of Technology; CSIRO Board Member; Board Member, International Centre for Radio Astronomy Research
- Dr Ezio Rizzardo, CSIRO Fellow and Honorary Professorial Fellow, University of Melbourne
- Mr Nigel Poole, Strategic Adviser, CSIRO.

The Council provides invaluable advice and guidance in relation to the most effective deployment of SIEF funds.

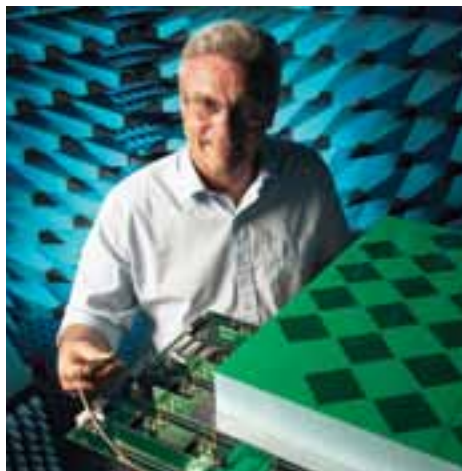
The Advisory Council is supported by an Expert Panel which reviews hundreds of project suggestions that are submitted to SIEF. I would like to thank the members of the Expert Panel, chaired by Professor Tom Spurling, and comprised of Dr Ezio Rizzardo, Professor Oliver Mayo (former Dean, Faculty of Agricultural Sciences, University of Adelaide and former Chief CSIRO Animal Production) and Emeritus Professor John McKenzie (former Dean of Science and Deputy Vice-Chancellor (Research) University of Melbourne). The Expert Panel provides detailed assistance to the Advisory Council and to the Trustee in relation to technical matters. Advice of specialist experts is sought as required.

The advice provided to the Trustee by all members of the Advisory Council and Expert Panel is *pro bono*, a tribute to the generosity of these individuals and their shared commitment to SIEF's purpose of advancing the community's wellbeing through science.

Reinforcing the unique strengths of the Fund is the strong support provided by Australia's premier science organisation, CSIRO. CSIRO has provided a gift of \$150 million to the SIEF, made in tranches between October 2009 and April 2011. In addition, CSIRO provides support services to the Fund to enable the resources to be managed cost-effectively, maximising the funds available to science. The SIEF team has welcomed the commencement of Dr Melissa Straffon in March 2011 as a full-time, dedicated SIEF Manager. I am indebted to Dr Straffon for the excellent management of the Fund, and to Katrina O'Leary for governance support and to Rose Lenaghan for legal support.

## Gifts to SIEF

This financial year saw another generous gift imparted to SIEF from funds donated by the former CSIRO scientist, Dr John O'Sullivan. Dr O'Sullivan led a multidisciplinary CSIRO team that developed and patented the technology at the heart of most modern high speed wireless communications systems and which provided the source of funds for CSIRO's own gift to SIEF. The Fund will apply Dr O'Sullivan's generous donation to two postgraduate scholarships, preferentially in the area of utilisation of scarce radio frequencies.



Dr John O'Sullivan. Credit: Mr Chris Walsh, Patrick Jones Photo Studio



Dr H Eric Dadswell was one of the first SIEF studentship recipients in 1926. In 1960 he became Chief of the CSIRO Division of Forest Products. Credit: Courtesy of Gordon Dadswell

The gift originating from Dr O'Sullivan is a wonderful illustration of the positive contribution that can be made to society when people have faith in the vast capacity of science to address community needs. SIEF is a small and nimble entity which has the ability to be flexible in its strategy to address not only the needs of the Australian community, but to facilitate the vision of those who recognise the value of investing in science.

## Promotion of science

The inauguration this year of a program of postgraduate scholarships and postdoctoral fellowships addresses the critical need to promote science through funding the training of Australia's scientific elite. The recipients of these John Stocker Postgraduate Scholarships and Postdoctoral Fellowships are of outstanding academic calibre and will be carrying out research with the highest potential for important scientific achievement and benefits to Australia. During 2010–11, the Fund has awarded six postdoctoral



Recipients of the John Stocker Postgraduate Scholarships and Postdoctoral Fellowships with the Trustee, the Minister; Dr John Stocker (Chairman) and Dr John O'Sullivan. (Front row, left to right) Dr Megan Clark (SIEF Trustee), Dr Caroline Bull, Senator the Hon Kim Carr (Minister for Innovation, Industry, Science and Research), Dr John Stocker (Chairman) and Dr John O'Sullivan. (Back row, left to right) Mr Ashley Jones, Dr Bi-Qing For, Dr Robert Thorne, Dr Navid Nourani, Mr Aaron Song and Dr Kaikai Shen (absent Dr Hannah Lomas and Mr Vikram Ravi).

fellowships and three postgraduate scholarships in areas ranging from astronomy/astrophysics, exploration geosciences and combinatorial material sciences to mathematics and network sciences, environmental informatics and genomics/epigenomics. This successful program will continue for at least three further years.

The John Stocker program has already established a prestigious reputation in the scientific and academic community and is a fitting echo of SIEF's historical origins as an endowment made under an Act of Parliament in 1926 for the purpose of funding the training of an emerging nation's young scientists.

## Future SIEF initiatives

In 2011–12, new initiatives for SIEF are anticipated, including the strategic investment in Australian research infrastructure projects of international significance. Processes and protocols for making large strategic investments in infrastructure to support precinct developments around Australia will be a focus for the Fund as well as SIEF's ongoing commitment to Supporting Research, Emerging Research, Strategic Research and the Promotion of Science.

It has been my privilege to observe the unfolding of SIEF into an entity unique in Australia's science landscape which is truly delivering on the vision of Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research from the launch of the rejuvenated SIEF in October 2009. Senator Carr described the Fund as 'a great national resource', supported by 'benefactors who share our passion for science and our faith in its ability to make the world a better place' and I look forward to its continued development in 2011–12.



**Dr Megan Clark**  
Trustee SIEF



## INDEPENDENT AUDITOR'S REPORT

### To the Trustee of the 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, Balance Sheet as at 30 June 2011, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended and the 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This includes internal control as the Trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *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 about 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 company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of the 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.

***Opinion***

In my opinion the financial report 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 Science and Industry Endowment Fund's financial position as at 30 June 2011 and of its performance for the year ended on that date.

Australian National Audit Office



John McCullough  
Executive Director  
Delegate of the Auditor-General

Canberra  
24 August 2011

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

In our opinion, the attached financial statements for the year ended 30 June 2011 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 2011 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

24 August 2011



**Hazel Bennett**  
Chief Finance Officer of CSIRO  
as service provider to the Science and Industry  
Endowment Fund

24 August 2011



**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2011**

	Notes	2011 \$	2010 \$
<b>EXPENSES</b>			
Scientific research grants	8	8 998 517	2 533 025
Gift fund establishment fees		-	203 489
Gift fund services fees		687 405	354 464
Consulting fees		64 266	-
Audit fees		7 000	7 000
Bank fees		64	31
In-kind advertising and approval fees	4	4 739	4 419
<b>Total expenses</b>		<b>9 761 991</b>	<b>3 102 428</b>
<b>LESS:</b>			
<b>REVENUE</b>			
Gift income		100 000	150 000 000
Interest		6 444 319	3 198 744
In-kind contributions received	4	4 739	4 419
<b>Total revenue</b>		<b>6 549 058</b>	<b>153 203 163</b>
<b>Net surplus</b>		<b>(3 212 933)</b>	<b>150 100 735</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>(3 212 933)</b>	<b>150 100 735</b>

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**BALANCE SHEET**  
**As at 30 June 2011**

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	5	146 984 990	98 569 482
Sundry debtors		-	50 000 000
Interest receivable	6	782 734	1 854 002
GST receivable		373 849	298 400
Prepayments	8	-	482 398
<b>Total current assets</b>		<b>148 141 573</b>	<b>151 204 282</b>
<b>TOTAL ASSETS</b>		<b>148 141 573</b>	<b>151 204 282</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors		502 815	-
Accrued expenses	7	212 362	564 953
<b>Total current liabilities</b>		<b>715 177</b>	<b>564 953</b>
<b>TOTAL LIABILITIES</b>		<b>715 177</b>	<b>564 953</b>
<b>NET ASSETS</b>		<b>147 426 396</b>	<b>150 639 329</b>
<b>EQUITY</b>			
Contributed equity		200 000	200 000
Accumulated surpluses		147 226 396	150 439 329
<b>TOTAL EQUITY</b>		<b>147 426 396</b>	<b>150 639 329</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 2011

	Accumulated Surpluses		Contributed Equity		Total Equity	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
<b>Balance as at 1 July</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>
Net surplus	(3 212 933)	150 100 735	-	-	(3 212 933)	150 100 735
<b>Closing balance at 30 June</b>	<b>147 226 396</b>	<b>150 439 329</b>	<b>200 000</b>	<b>200 000</b>	<b>147 426 396</b>	<b>150 639 329</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 2011

	Notes	2011 \$	2010 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Gift receipts from CSIRO		50 100 000	100 000 000
Interest received		7 515 587	1 356 023
<b>Total cash received</b>		<b>57 615 587</b>	<b>101 356 023</b>
<b>Cash used</b>			
Payments to grantees		8 028 000	3 015 423
Other payments		1 142 277	-
Net GST paid		29 738	298 400
Bank fees paid		64	31
<b>Total cash used</b>		<b>9 200 079</b>	<b>3 313 854</b>
<b>Net cash provided by operating activities</b>	9	<b>48 415 508</b>	<b>98 042 169</b>
Net increase in cash held		48 415 508	98 042 169
Cash at the beginning of the reporting period		98 569 482	527 313
<b>Cash at the end of the reporting period</b>		<b>146 984 990</b>	<b>98 569 482</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 2011

**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.

One hundred million dollars was received in financial year 2009-10. The final instalment of \$50 million was received in financial year 2010-11.

**Note 3 Contingencies and Commitments**

No contingent liabilities exist as at 30 June 2011.

**Schedule of Commitments****BY TYPE**

	2011	2010
	\$	\$
Grants payable	17 702 895	13 717 600
<b>Total grants payable</b>	<b>17 702 895</b>	<b>13 717 600</b>

**Note 4 Estimated value of resources provided free of charge by CSIRO are as follows:**

– advertising and approval fees	4 739	4 419
<b>Total</b>	<b>4 739</b>	<b>4 419</b>

**Note 5 Cash (current)**

Cash at bank	381 349	5 329 911
Deposits – at call	146 603 641	93 239 571
<b>Total</b>	<b>146 984 990</b>	<b>98 569 482</b>

**Note 6 Receivables (current)**

Interest receivable	782 734	1 854 002
	<b>782 734</b>	<b>1 854 002</b>
Gross receivables are aged as follows:		
Not overdue	<b>782 734</b>	<b>1 854 002</b>



<b>Note 7</b>	<b>Accrued expenses</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
	Establishment costs	-	203 489
	Service fee under Services Agreement with CSIRO	174 347	354 464
	CREST Program awards	31 015	-
	Audit fee	7 000	7 000
	<b>Total</b>	<b>212 362</b>	<b>564 953</b>
<b>Note 8</b>	<b>Scientific research grants</b>		
	CREST Program awards	31 015	31 423
	John Stocker Scholarships	385 000	-
	Macquarie University joint chair in Wireless Communication	365 104	-
	CSIRO AIBL2 grant	1 942 000	-
	CSIRO Plant Breeding grant	900 000	-
	CSIRO Ngara grant	4 893 000	2 984 000
	<i>Prepaid research grants</i>	482 398	(482 398)
	<b>Total</b>	<b>8 998 517</b>	<b>2 533 025</b>
<b>Note 9</b>	<b>Cash Flow Reconciliation</b>		
	Reconciliation of operating surplus to net cash from/(used by) operating activities:		
	<b>Operating surplus/(deficit)</b>	(3 212 933)	150 100 735
	<b>Changes in assets and liabilities</b>		
	(Increase)/decrease in receivables	50 995 819	(52 141 121)
	(Increase)/decrease in prepayments	482 398	(482 398)
	Increase/(decrease) in payables	150 224	564 953
	<b>Net cash from/(used by) operating activities</b>	<b>48 415 508</b>	<b>98 042 169</b>

**Note 10 Financial Instruments****10A: Categories of Financial Instruments**

	2011	2010
	\$	\$
<b>Financial Assets</b>		
Cash	146 984 990	98 569 482
Sundry Debtors	-	50 000 000
Interest Receivable	782 734	1 854 002
<b>Total financial assets</b>	<b>147 767 724</b>	<b>150 423 484</b>
<b>Financial liabilities</b>		
Supplier Payables	715 177	564 953
<b>Total financial liabilities</b>	<b>715 177</b>	<b>564 953</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 2011 (2010: 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 2010-11 the average return on cash and short term deposits was 5.96% (2010: 5.54%).

## Appendix 6: Research Group structure

### Energy

#### Divisions

Earth Science and Resource Engineering  
Energy Technology

#### Portfolios

Advanced Coal Technology  
Energy Transformed National Research Flagship  
Petroleum and Geothermal  
Wealth from Oceans National Research Flagship

### Environment

#### Divisions

Ecosystems Sciences  
Land and Water  
Marine and Atmospheric Research

#### Portfolios

Biodiversity  
Climate Adaptation National Research Flagship  
Marine and Atmospheric Research  
Water for a Healthy Country National Research Flagship

#### Facilities and Collections

Australian National Fish Collection  
Australian National Wildlife Collection  
Marine National Facility

### Food, Health and Life Science Industries

#### Divisions

Food and Nutritional Sciences  
Livestock Industries  
Plant Industry

#### Portfolios

Food Futures National Research Flagship  
Food and Nutritional Sciences  
Livestock Industries  
Plant Industry  
Preventative Health National Research Flagship  
Sustainable Agriculture National Research Flagship

#### Transformational Capability Platforms

Transformational Biology

#### Facilities and Collections

Australian Animal Health Laboratory  
Australian National Herbarium  
Australian National Insect Collection

### Information Sciences

#### Divisions

Astronomy and Space Science  
ICT Centre  
Mathematics, Informatics and Statistics

#### Portfolios

Astronomy and Space Sciences  
Digital Technologies and Services

#### Transformational Capability Platforms

Computational and Simulations Sciences  
Sensors and Sensor Networks

#### Facilities and Collections

Australia Telescope National Facility  
Canberra Deep Space Communication Complex

### Manufacturing, Materials and Minerals

#### Divisions

Materials Science and Engineering  
Process Science and Engineering

#### Portfolios

Future Manufacturing National Research Flagship  
Light Metals National Research Flagship (closed from 1 July 2011)  
Minerals Down Under National Research Flagship  
Materials Science and Engineering

#### Transformational Capability Platforms

Advanced Materials

