

# Part 6

## Science and Industry Endowment Fund

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# Trustee's report

As Australians face challenges like the rising cost of food and ongoing supply chain disruptions from the global pandemic, I'm proud that the Science and Industry Endowment Fund (SIEF) continues to invest in truly collaborative research projects and infrastructure that solve exactly these problems, as well as many others. This year's report shows SIEF is delivering on its purpose to support research that assists Australian industries and communities and delivers on national priorities.

## Strengthening Australian agriculture

Australia has a proud history of innovation in agriculture, developing technology that addresses the needs of Australian farmers and the nation. SIEF is supporting innovation in Australian agriculture through several digital transformation and sustainable farming practices, including the Genomics Initiative, the Boorowa Agricultural Research Station and TranspiratiONal.

Artificial Intelligence (AI) is unlocking new ways to do science, like accelerating analysis of large data sets. The NICTA gift-funded Genomics Initiative is applying AI and other technologies to wheat, barley and oat crops to improve productivity and resilience. The Initiative is strengthening understanding of crop genome data and deploying AI to automate the detection and quantification of crop traits, such as germination, spikes, height and biomass, to monitor plant growth and estimate yield. CSIRO is collaborating with Australian cereal breeding company InterGrain on this research. Read more about the Genomics Initiative on page 195.

CSIRO is investing in 'labs of the future' that bring together all the latest technologies in one experimental space to deliver next-generation equipment that enables cutting-edge research.

The SIEF-supported CSIRO Boorowa Agricultural Research Station in New South Wales features the latest digital agricultural technologies, such as remote and non-destructive crop monitoring and a cutting-edge sensor network recording key physical and environment characters over time to improve the productivity, profitability and sustainability of Australian farms.



The new ACDP TEM provides additional capability of cryo-TEM imaging and greater depth of 3D imaging that builds on the existing diagnostic TEM capability and will contribute to the understanding of virus/host interaction and viral mechanisms for disease that may contribute to treatment and prevention of serious viral diseases such as Rabies.



This XAg P30 spray drone with capacity of 16 litres is being used to apply different chemical and bio-fungicidal treatments to cropping trials at the Boorowa Agricultural Research Station.

It is the only modern established field research station in Australia where the potential of new technologies can be explored, demonstrated to customers and improved upon. New drone imaging technologies, including RGB, multispectral, hyperspectral and thermal imaging, are being deployed to improve resolution in assessment of canopy and plant health and disease and plant stress characteristics, giving a better understanding of variability in plant health and leading to better breeding outcomes and improved crop varieties for the farming industry.

Environmental sustainability is critical for agricultural productivity and economic viability. The cost of weeds to Australian agricultural industries is estimated to be greater than \$5 billion per year, plastic waste is a significant global environmental

issue and limited water supplies must be carefully managed. CSIRO collaborated with farmers and an Australian polymer manufacturer in a SIEF Experimental Development Program project to further develop and assess a new environmentally friendly alternative to plastic mulch film called TranspiratiONal, which contributes to a reduction of plastic waste on farms while suppressing weeds and retaining moisture in the soil. The ease and control in applying the non-toxic, water-based sprayable biodegradable mulch makes it suitable for use in home gardens, horticulture, orchard crops and forestry, with prospects for application in broadacre farming. This project is also a graduate of CSIRO's recently expanded ON program, which supports researchers turn their ideas into products. Read more about TranspiratiONal on page 194.

## Sovereign research infrastructure

COVID-19 and global conflicts have disrupted the international supply chains Australia relies on in the absence of strong sovereign manufacturing capabilities, as well as exposing Australia to increased risk from biological and cyber security threats. One of SIEF's Special Purposes is Landmark Research Infrastructure, comprising the creation or development of nationally significant facilities for the conduct of research-enhancing capability and capacity, and for encouraging collaboration – national, international and with industry. The Medium Equipment Program has delivered \$9.8 million of SIEF funding towards infrastructure projects that facilitate the creation of new industries in Australia, with co-investment of \$13.7 million by collaborators.

Adding to the suite of national research infrastructure that CSIRO manages for the nation, the CSIRO Biologics Facility in Melbourne has been designed and constructed for manufacture of investigational biological products under principles of Good Manufacturing Practice. The facility will be used by Australian academic and industry partners to develop new pharmaceuticals and address an unmet demand for local production and testing of new products to Australian standards. To meet the future needs of Australian researchers, the facility has also been designed in accordance with the requirements of the United States Federal Drug Administration and European Medicines Agency, providing Australian access to global clinical trial opportunities and a faster path towards a broader range of markets. The facility has already been deployed in 2 science projects to manufacture vaccine supplies for Phase I clinical trials.

The Cybersecurity Virtual Laboratory in Melbourne is developing and testing cutting-edge AI-driven automated solutions to secure and protect cyber systems from attack. This addresses 2 key vulnerabilities for Australia: the ever-increasing number of cyber-attacks (estimated to cost the Australian economy \$17 billion per year) and Australia's cybersecurity skill shortage. Australian small and medium enterprises (SMEs) are most at risk due to their size and lack of access to cybersecurity professionals.

This project is building autonomic cybersecurity capabilities and undertaking collaborative research between CSIRO, universities and industries that will generate software-as-a-service solutions that can help to close the skills gaps and protect Australian businesses.

Australia's biosecurity capability has been boosted with SIEF's investment in a new transmission electron microscope at the Australian Centre for Disease Preparedness in Geelong. This is a unique capability among Australian laboratories as it provides a non-reagent based 'open view' platform for the rapid morphologic identification of infectious agents, a capability essential for Australia's and the Asia-Pacific region's biosecurity. It is located in a lower physical containment laboratory to create easier access in the secure facility for the research community, enabling longer term collaborations with university partners, state animal health laboratories, international collaborators and Microscopy Australia partners.

## Evaluating SIEF's performance

Two reviews of SIEF have been delivered this year, both finding that the Fund is continuing to meet its objectives and operating effectively.

Swinburne University analysed the breadth and quality of research funded by the CSIRO Gift as well as its outcomes. The review concluded SIEF invested in an appropriately wide area of Australian research priorities with high quality research and ambitious goals. It found SIEF filled a gap in the national innovation system by supporting large-scale and collaborative research and infrastructure projects. A summary of the review can be found on the SIEF website.<sup>1</sup>

A review of the John Stocker Postgraduate Scholarships and Postdoctoral Fellowships found they provided significant opportunities for early career researchers and a boost for the Australian innovation system. The John Stocker program is part of the SIEF Special Purpose Promotion of Science. The review found it offered a point of difference to other fellowships and scholarship programs through its focus on non-technical training and collaborative and industry-focused projects. A summary of the review can be found on the SIEF website.<sup>2</sup>

1 [www.sief.org.au/about-sief/reports/outcomes-and-impact-of-the-csiro-gift/](http://www.sief.org.au/about-sief/reports/outcomes-and-impact-of-the-csiro-gift/)

2 [www.sief.org.au/about-sief/reports/john-stocker-postgraduate-scholarships-and-postdoctoral-fellowships-review/](http://www.sief.org.au/about-sief/reports/john-stocker-postgraduate-scholarships-and-postdoctoral-fellowships-review/)

## Thanks to Advisory Councils and Expert Panels

As Trustee, I have been greatly assisted by the Fund's Advisory Councils and I thank each and every member for their contribution. These bodies have supported the Fund and provide constant guidance and insight on a pro bono basis. I am deeply grateful to these supporters of the Fund, both personally and on behalf of Australian science and innovation. I also thank the many reviewers who generously give their time and expertise to assess applications for funding, particularly the industrial expert reviewers for the Experimental Development Program. This spirit of generosity and goodwill in the Australian science and industry community creates the dedicated and thriving innovation landscape that SIEF is proud to support.



**Dr Larry Marshall**

SIEF Trustee

## SIEF advisory bodies

### CSIRO Gift Advisory Council Members

Emeritus Prof Alan Robson (Chair) AO  
Dr Peter Riddles AM (Chair, EDP Review Panels)  
Mr Nigel Poole  
Dr Ezio Rizzardo AC  
Professor Margaret Sheil AO  
Professor Tom Spurling AM

### Generation STEM Consultative Council

Mr David Wright (Chair)  
Ms Chloe Read  
Ms Gail Fulton  
Dr Ian Oppermann  
Dr Dave Williams\*  
Ms Gabrielle Trainor AO  
Professor Elanor Huntington

### NICTA Program Advisory Council

Ms Michelle Price  
Dr Jon Whittle  
Mr John Paitaridis

\*Indicates retirement from the Councils.

# TranspiratiONal

## Challenge

Feeding and clothing the world sustainably are pressing challenges in today's world. There is a need for solutions to feed a global population of 10 billion and meet a greater than 50 per cent increase in food demand by 2050. This underlines the need for higher efficiency options that can help maximise the use of limited supplies of water, minimise waste generation and require fewer agrochemicals.

Petroleum-based preformed Plastic Mulch Films (PMFs) are commonly used to reduce soil evaporation and suppress weeds to improve agricultural efficiency. However, these are proving to be a major source of pollution as well as contributing to the global plastic waste problem and thereby imposing high lifetime costs to society, the environment and the economy. The effects of climate change amidst increasing environmental degradation and pollution have further exacerbated this issue.

## Response

CSIRO has developed a polyurethane-based Sprayable Biodegradable Polymer Membrane Technology (SBPM Technology) called TranspiratiONal-SBM. These 'spray and walk away' water-based formulations applied to the soil surface help improve crop water productivity and control competing weed growth. The field trials have demonstrated the ability of the product to deliver greater yields and decrease waste, thereby improving farm profitability. The sprayable mulch typically biodegrades naturally in 5 to 7 months with the help of the soil microbiome without leaving any environmental damage. The polymer membrane offers the ease of application with regular farm equipment such as handheld sprayers or large mechanised sprayers.

## SIEF's role

The SIEF supported TranspiratiONal during 2016–18, through the Experimental Development Program (EDP) to advance the Technology Readiness Level (TRL) of SBPM technology. SIEF's support allowed CSIRO to demonstrate the in-field biodegradability, non-toxicity and commercially attractive performance of the technology. It also helped prove the high-scale manufacturability of the formulations and provided CSIRO scientists with valuable experience in the farm-scale application of the SBM.

## Impact

The successful development and uptake of sprayable biodegradable mulch formulations is a global opportunity to serve the world's US\$4 billion per year agricultural mulch film market while addressing the food security challenge. The shifting regulatory trends to limit plastic waste and consumer preferences for eco-friendly products are expected to drive market adoption. Once the technology is economically viable, there is potential to provide sustainable farming solutions and improve crop yields with no/low environmental footprint for just about every cropping system across the world. Successful uptake of formulations is expected to create new services, products, experiences and market niches in Australia as well as open new export opportunities, especially in the Asia Pacific.



Tomato crop at Rochester VIC with SBM more than one month after application.

## Genomics Digital Initiative

### Challenge

Traditional breeding programs are long-term processes. Genomic breeding programs can significantly improve the efficiency of this process by using the fundamental relationship between a species' genetic blueprint (i.e. genome) and its observed characteristics (i.e. phenotype). This requires 'omics data integration, which is capturing an analysis of high-resolution, multi-dimensional genomic, transcriptomic, and proteomic data and phenotype profiling.

Phenotype profiling is the capturing of large amounts of population-wide and environmentally diverse data, in order to extract useful correlations. Globally, the industry is hampered by reliance on unrepresentative and/or piecemeal genomic data, lack of integration between different 'omics layers, and time-consuming, resource-intensive and inaccurate collection of phenotypic data.

### Response

SIEF supported the Genomics Digital Initiative to respond to a well-defined need for next-generation tools and platforms that allow the exploitation of genomics-phenomics data to facilitate genomic breeding strategies that were delivered through 2 programs.

Pan'omics Toolbox delivered a suite of tools to support the integration and analysis of datasets comprising data from multiple 'omic layers and individuals. The work focused on the development of an efficient method to capture micro and macro-scale commonality and variation within genomic data, and was validated using real-world, gigabase-scale genomic (DNA) and transcriptomic (RNA) datasets for species such as wheat and cattle.

Video Phenomics delivered an Artificial Intelligence (AI)-based prototype phenotyping platform by utilising advanced computer vision and machine learning methods to improve the automatic collection of crop traits for plant growth monitoring, quantification, and yield prediction applications. The work focused on enabling the efficient and accurate capture of phenomics data for wheat, barley and oats using low-cost sensors mounted on drones and ground vehicles, and through the utilisation of augmented reality (AR).

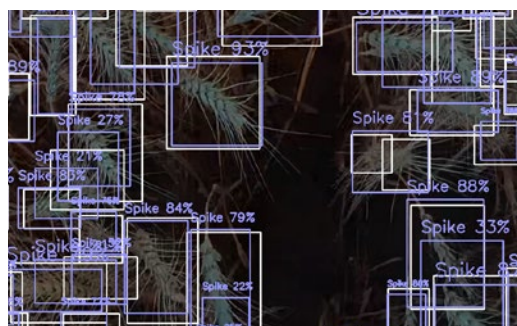
### SIEF's role

SIEF's investment in the Genomics Digital Initiative was instrumental in helping lay the scientific groundwork to develop technologies and software platforms that aim to improve productivity, profitability, and sustainability of Australian crop industries through transforming the traditional crop breeding processes and farming practices. The support helped provide a significant basis to support further scientific and financial interventions as well as collaboration decisions for the future development of the tools and platforms.

### Impact

The Genomics Digital Initiative has potential to deliver triple bottom line impacts from improving crop varieties, lowering the environmental footprint of agricultural activities and providing solutions to threats to global food security. This effort has the potential to contribute towards the vision to achieve \$100 billion in farm gate outputs by 2030.

The impact is likely to eventuate first in the Australian agriculture sector through enabling efficient and precise breeding strategies capable of exploiting attractive crop varieties much more effectively than previously possible. The successful development and adoption of tools and platforms have the potential to provide a competitive edge to produce profitable niche crops. Industries associated with human health, such as medtech, pharmaceuticals and precision medicine development, are likely to follow as future end-users for this technology.



**AI-based wheat spike detection.** The detected spikes are shown in purple bounding boxes while the ground-truth spikes are displayed in white bounding boxes.



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Industry and Science

#### Opinion

In my opinion, the financial statements of the Science and Industry Endowment Fund (SIEF) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the Science and Industry Endowment Act 1926; and
- (b) present fairly the financial position of the SIEF as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the SIEF, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to and forming part of the financial report, comprising a summary of significant accounting policies and other explanatory information; and
- Statement by the Trustee and Chief Finance Officer.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the SIEF in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Trustee's responsibility for the financial statements

The Trustee of SIEF is responsible under the Science and Industry Endowment Act 1926 for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Trustee is also responsible for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the ability of SIEF to continue as a going concern, taking into account whether SIEF's operations will cease as a result of an administrative restructure or for any other reason. The Trustee is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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### **Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 SIEF's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SIEF's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the SIEF's to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Bola Oyetunji

Group Executive Director

Delegate of the Auditor General

Canberra

6 September 2022

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**STATEMENT BY THE TRUSTEE AND CHIEF FINANCE OFFICER**  
*For the year ended 30 June 2022*

**STATEMENT BY THE TRUSTEE AND CHIEF FINANCE OFFICER OF COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION (CSIRO) AS SERVICE PROVIDER TO THE SCIENCE AND INDUSTRY ENDOWMENT FUND**

The attached financial report for the year ended 30 June 2022 has been prepared based on properly maintained financial records and in accordance with Australian Accounting Standards simplified disclosure requirements and the requirements of the Science and Industry Endowment Act 1926, and present fairly the financial position of the Science and Industry Endowment Fund as at 30 June 2022 and its performance and cashflows for the year then ended.

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



**Larry Marshall**

Trustee of the Science and Industry Endowment Fund

6 September 2022



**Louise Coutts**

Chief Finance Officer (Acting) of CSIRO  
as service provider to the Science and Industry Endowment Fund

6 September 2022

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*For the year ended 30 June 2022*

	Notes	2022 \$	2021 \$
<b>EXPENSES</b>			
Scientific research grants	2	6,069,145	5,008,502
Service fee under services agreement with CSIRO		593,500	544,000
Audit fees		11,500	15,500
Other fees		6,001	56,931
<b>Total expenses</b>		<b>6,680,146</b>	<b>5,624,933</b>
<b>REVENUE</b>			
Gifts	3	18,000,000	18,000,000
Interest	4	484,525	548,880
<b>Total revenue</b>		<b>18,484,525</b>	<b>18,548,880</b>
<b>Net profit</b>		<b>11,804,379</b>	<b>12,923,947</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>11,804,379</b>	<b>12,923,947</b>

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**STATEMENT OF FINANCIAL POSITION**  
*As at 30 June 2022*

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	<b>89,373,110</b>	77,698,752
Trade and other receivables	6	<b>408,622</b>	278,601
<b>Total assets</b>		<b>89,781,732</b>	<b>77,977,353</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Payables</b>			
Suppliers payable		-	-
<b>Total payables</b>		-	-
<b>Total liabilities</b>		-	-
<b>Net assets</b>		<b>89,781,732</b>	<b>77,977,353</b>
<b>EQUITY</b>			
Contributed equity		<b>200,000</b>	200,000
Retained surplus		<b>89,581,732</b>	77,777,353
<b>Total equity</b>		<b>89,781,732</b>	<b>77,977,353</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 2022*

	Retained Surplus		Contributed Equity		Total Equity	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
<b>Opening Balance</b>	<b>77,777,353</b>	64,853,406	<b>200,000</b>	200,000	<b>77,977,353</b>	65,053,406
Net profit/(deficit)	<b>11,804,379</b>	12,923,947	-	-	<b>11,804,379</b>	12,923,947
<b>Closing Balance</b>	<b>89,581,732</b>	77,777,353	<b>200,000</b>	200,000	<b>89,781,732</b>	77,977,353

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 2022*

	Notes	2022	2021
		\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
CSIRO Gift		<b>18,000,000</b>	18,000,000
Interest received		<b>453,414</b>	807,312
GST credits received		<b>569,105</b>	492,033
<b>Total cash received</b>		<b>19,022,519</b>	19,299,345
<b>Cash used</b>			
Payments to grantees		<b>6,676,060</b>	5,509,352
Other payments		<b>672,101</b>	695,124
<b>Total cash used</b>		<b>7,348,161</b>	6,204,476
<b>Net cash provided by operating activities</b>		<b>11,674,358</b>	13,094,869
Net increase in cash held		<b>11,674,358</b>	13,094,869
Cash at the beginning of the reporting period		<b>77,698,752</b>	64,603,883
<b>Cash at the end of the reporting period</b>		<b>89,373,110</b>	77,698,752

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 REPORT**  
*For the year ended 30 June 2022*

**Note 1 Overview**

The Science and Industry Endowment Fund (referred to as “the Fund”) was established under the *Science and Industry Endowment Act 1926* with the Trustee of the Fund being the Commonwealth Scientific and Industrial Research Organisation’s (CSIRO) Chief Executive and is a not-for-profit entity. An appropriation of 100,000 pounds was received at the time the Fund was established. The principal activity of the Fund is to provide assistance to persons engaged in scientific research and in the training of students in scientific research. The total cash payments made by the Fund in 2021-22 under the Original Endowment were \$18,000 (GST exclusive).

In October 2009 the Minister for Innovation, Industry, Science and Research announced a gift of \$150 million to be donated by CSIRO to the Fund. The gift is intended to be used for scientific research for the purposes of assisting Australian industry and 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. During the 2018 to 2021 and 2022 financial years, CSIRO made further gifts totalling \$33 million and \$18 million respectively to the Fund. These gifts were also made subject to the terms of the Deed of Gift between the Trustee and CSIRO dated 15 October 2009. The total cash payments made by the Fund in 2021-22 under the Deed of Gift were \$2,377,249 (GST exclusive).

In June 2017, the NSW Government acting through the NSW Department of Industry provided a \$25 million endowment to the Fund to create the NSW Generation STEM Program. The program will be delivered over a 10-year period and will implement activities including research, to increase the supply of Science, Technology, Engineering and Mathematics (STEM) skilled labour to meet the current and future needs of New South Wales. The total cash payments made by the Fund in 2021-22 under the NSW Endowment were \$2,520,000 (GST exclusive).

In November and December 2018, National ICT Australia Limited (NICTA), a controlled entity of CSIRO, provided two gifts to the Fund in the total amount of \$20 million to fund the Future National ICT Industry Platform Program. A further \$5 million was provided to the Fund by NICTA in December 2019. The program is to support research activities and projects at a scale that address challenges in the field of Information and Communications Technology (ICT) and it is intended that the outcomes from the Program will benefit Australia by helping create new Australian technology-based industries and/or applied technology platforms that can reach a global scale. The total payments made by the Fund in 2021-22 under the Future National ICT Industry Platform Program were \$1,764,897 (GST exclusive).

In one financial year a maximum amount of \$25 million exclusive of Goods and Services Tax (GST) can be disbursed from the Fund for the CSIRO GIFT Programs, NSW Generation STEM Program and the Future National ICT Industry Platform Program (under the Deeds of Gift/Endowment). The total payments made by the Fund under these gifts and programs in 2021-22 were \$6,662,146 (GST exclusive). This includes Scientific Research Grant payments, Service, audit and other fees.

**Basis of Preparation of the Financial Statements**

The financial statements for the Fund are general purpose financial statements and are required by:

- Section 10 of the *Science and Industry Endowment Act 1926*.

The financial statements have been prepared in accordance with:

- Australian Accounting Standards and Interpretations – including AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Entities* 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 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. The

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
*For the year ended 30 June 2022*

**Note 1 Overview (continued)**

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

**Key Judgements and Estimates**

The accounting policies are set out below. Within the current financial year, there were no significant Judgements or estimates used in the preparation of the financial statements.

**New Australian Accounting Standards**

All new, revised and/or amending standards and/or interpretations that were issued prior to the signing of these financial statements and are applicable to the current reporting period did not have a material effect on the Fund's financial statements.

<b>Standard/Interpretation</b>	<b>Nature of change in accounting policy, transitional provisions, and adjustment to financial statements</b>
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities</i>	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involved some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

**Future Australian Accounting Standard Requirements**

No new or revised pronouncements were issued prior to the finalisation of the financial statements by the Australian Accounting Standards Board which are expected to have a material financial impact on the Fund in future reporting periods.

**Taxation**

The Fund is exempt from all forms of taxation except Goods and Services Tax ('GST').

**Events after the Reporting Period**

At the time of signing of the financial statements, the Trustee is not aware of any other significant events occurring after the reporting date that could impact on the financial report.



**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
*For the year ended 30 June 2022*

**Note 2 Scientific Research Grants**

	<b>2022</b>	2021
	\$	\$
Education and Outreach Program	<b>18,000</b>	-
Future National ICT Industry Platform Program	<b>1,494,897</b>	2,288,094
Research Infrastructure Program	<b>185,000</b>	200,000
Special Research Program	<b>160,000</b>	-
Promotion of Science Program - Scholarships and Fellowships	<b>100,000</b>	100,000
Experimental Development Program	<b>1,686,248</b>	2,220,408
NSW Endowment Grant	<b>2,425,000</b>	200,000
<b>Total</b>	<b>6,069,145</b>	5,008,502

**Accounting Policy**

The Fund awards grants to support approved eligible applications and activities in instalments, subject to the completion by Grant Recipients of funding milestones which are verified through provision of satisfactory Progress Reports to the Fund Manager. All costs associated with providing Scientific Research Grants are expensed at acceptance of relevant Progress Report.

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
*For the year ended 30 June 2022*

**Note 3 Revenue from Gifts**

	2022	2021
	\$	\$
CSIRO Gift	18,000,000	18,000,000
<b>Total</b>	<b>18,000,000</b>	<b>18,000,000</b>

**Accounting Policy**

Gifts are recognised as income when the entity gains control of the funds, where the consideration to acquire an asset is significantly less than fair value. Gifts, bequests or donations receivable are recognised at their nominal amounts as a financial asset under AASB 9 *Financial Instruments* as highlighted in paragraph 8 of AASB 1058 *Income of Not-for-Profit Entities*.

The additional \$18 million gift received from CSIRO in 2021-22 is to be used to further Fund objectives (2020-21 \$18m).

**Note 4 Interest Revenue**

	2022	2021
	\$	\$
Cash bank account interest	95,859	61,998
Term deposits interest	388,666	486,882
<b>Total</b>	<b>484,525</b>	<b>548,880</b>

**Accounting Policy**

Interest revenue is recognised using the effective interest method as set out in AASB 9 *Financial Instruments*.

**Note 5 Cash and Cash Equivalents**

	2022	2021
	\$	\$
Cash at bank	23,223,110	30,648,752
Term deposits	66,150,000	47,050,000
<b>Total</b>	<b>89,373,110</b>	<b>77,698,752</b>

**Accounting Policy**

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of twelve 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.

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**Note 6 Trade and Other Receivables**

	2022	2021
	\$	\$
Interest receivable	200,868	169,757
GST receivable	207,754	108,844
<b>Total receivables</b>	<b>408,622</b>	<b>278,601</b>
<b>Less impairment loss allowance</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables</b>	<b>408,622</b>	<b>278,601</b>

**Accounting Policy**

Trade and other receivables are financial assets held for collecting the contractual cash flows of the asset, where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates. They are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

**Note 7 Contingent Assets and Liabilities**

No contingent assets or liabilities existed as at 30 June 2022 (2021: nil).

**Note 8 Related Party Disclosures**

The Fund is a wholly controlled subsidiary of CSIRO. The Trustee is the Chief Executive of CSIRO who is remunerated through CSIRO and not paid an additional salary for his role as Trustee of the Fund. There were no transactions during the reporting period between the Trustee and the Fund. Related parties to this entity other than the Trustee are other Australian Government entities.

In considering relationships with related entities and transactions entered into during the reporting period by the Fund, it has been determined that there are no related party transactions required to be separately disclosed. Grant funds are administered and applied in accordance with Program Funding Agreements. Awarded grants are assessed against a set of established criteria prior to approval. All eligible applications are assessed equally.

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
*For the year ended 30 June 2022*

**Note 9 Schedule of Commitments**

The below table shows the monies the Fund is committed to pay on its executed grant funding agreements as at 30 June 2022, subject to grantees meeting funding milestones.

	2022	2021
	\$	\$
<b>BY TYPE</b>		
Grants commitments payable	35,644,442	31,724,140
GST receivable on grants payable	(3,240,404)	(2,884,013)
<b>Total net commitments by type</b>	<b>32,404,038</b>	<b>28,840,127</b>
<b>BY MATURITY</b>		
<b>Grant commitments payable</b>		
One year or less	5,703,894	8,453,552
From one to five years	26,035,548	15,240,588
More than five years	3,905,000	8,030,000
<b>Total grants payable</b>	<b>35,644,442</b>	<b>31,724,140</b>
<b>GST commitments receivable</b>		
One year or less	(518,536)	(768,505)
From one to five years	(2,366,868)	(1,385,508)
More than five years	(355,000)	(730,000)
<b>Total commitments receivable</b>	<b>(3,240,404)</b>	<b>(2,884,013)</b>
<b>Net commitments by maturity</b>	<b>32,404,038</b>	<b>28,840,127</b>

**Note 10 Financial Instruments of the Financial Statements**

**Note 10.1 Categories of Financial Instruments**

	2022	2021
	\$	\$
<b><u>Categories of financial instruments</u></b>		
<b>Financial assets</b>		
Cash and cash equivalents	89,373,110	77,698,752
Trade and Other Receivables	408,622	278,601
<b>Total financial assets at amortised cost</b>	<b>89,781,732</b>	<b>77,977,353</b>
<b>Total financial assets</b>	<b>89,781,732</b>	<b>77,977,353</b>

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**Note 10.1 Categories of Financial Instruments (continued)**

**Accounting Policy**

**Financial Assets**

The Fund classifies its financial assets under AASB 9 *Financial Instruments* as financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

*Financial Assets at Amortised Cost*

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

*Effective Interest Method*

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

**Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

*Financial Liabilities at Amortised Cost*

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

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).

**Note 10.2 Net Income and Expenses from Financial Assets**

	2022	2021
	\$	\$
Interest revenue	484,525	548,880
<b>Total</b>	<b>484,525</b>	<b>548,880</b>

