

# Part 6

## Science Industry Endowment Fund

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# Trustee's report

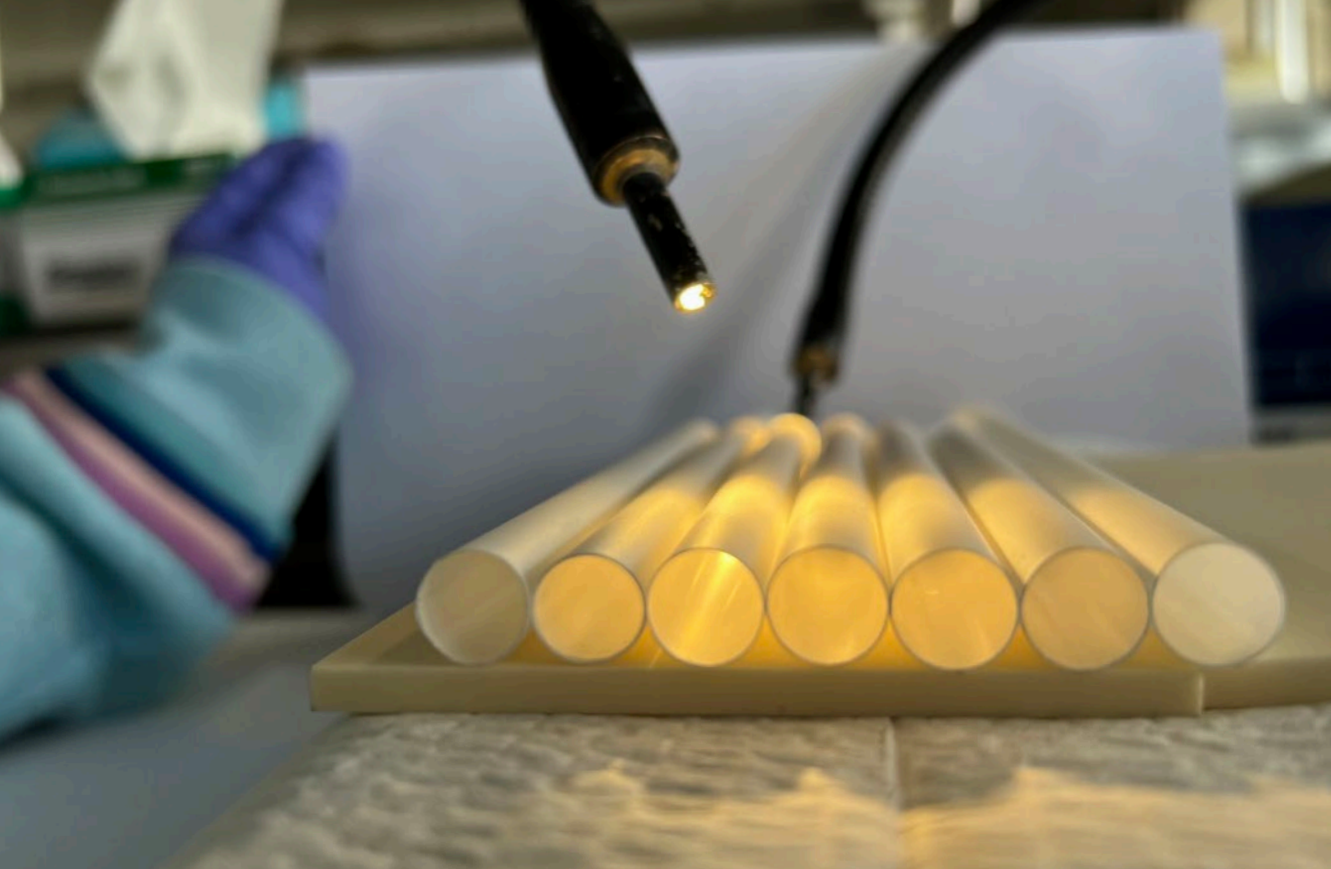
Eight years ago, I was delighted to become Trustee of the Science and Industry Endowment Fund (SIEF) in addition to Chief Executive of CSIRO, being able to see firsthand the benefits of the Fund in action. Over that time, SIEF has made significant contributions to the advancement of science and technology in Australia through the CSIRO Gift, made possible from the proceeds of CSIRO's fast Wi-Fi innovation. As intended, the \$150 million CSIRO Gift has been fully committed, but that has not stopped SIEF from growing.

In backing its own technologies, CSIRO has benefited from financial gains that have allowed it to make several additional gifts to SIEF – another \$83 million in total. The CSIRO Gift portfolio of programs was expanded with the addition of the Experimental Development Program, the Medium Equipment Program and the SIEF National Missions Collaboration Program (SNMCP). The reputation of SIEF has subsequently attracted gifts from new donors, which broadened SIEF's activities in information and communications technologies (ICT) (through the NICTA Gift in 2017) and science, technology, engineering and mathematics (STEM) education (through the NSW Endowment in 2017). I am confident that SIEF can become an evergreen fund, replenished regularly from CSIRO's innovation successes and other gifts.

As I end my term as CSIRO's Chief Executive, my role as SIEF Trustee also ends, but I leave the new Trustee a strong SIEF to help support Australia into an uncertain future. It has been a great pleasure and privilege to be Trustee of this esteemed Fund and to see the impact of the Fund's investments in science and industry and the next generation of Australia's scientists. In this, my last report as Trustee, I share some of the year's highlights from the SIEF, demonstrating its continued contribution to science of global significance and impact, and support of Australian industry, sustainability and productivity.

Australia has a lot of challenges ahead of it, but science holds the solutions. We can't afford to lose half our young female scientists before they enter Year 9, nor the other half before they reach the workforce. Turning around our STEM decline is a national mission for me. I passionately believe that supporting the development of scientific capability in the next generation of Australian researchers, innovators and entrepreneurs is essential to solving our greatest challenges. Our next generation of STEM superstars are being nurtured through the Generation STEM initiative across New South Wales through the NSW Government Endowment to SIEF. This initiative is building a pipeline of STEM-educated, workforce-ready school and tertiary graduates. Now midway through its 10-year term, the program is delivering impact and meeting the needs of its community through building strong relationships with participants, partners and collaborators. Excitingly, the first program under the initiative, STEM Community Partnerships Program (STEM CPP), has grown significantly in the last 12 months, reaching more than 2,300 secondary school students. Its flexible delivery model allows tailoring the program to suit each school, building students' skills in hands-on problem solving that addresses real-world issues of high importance to them and their communities. The highlight of the program so far came in late 2022, when students presented the results of their projects to their communities and local industries, with over 100 industry professionals attending.

As a leader and Champion of Change, I know diversity in STEM is critical to solving Australia's greatest challenges. The Generation STEM Initiative has been working towards increasing the diversity of students in STEM for a number of years. So, in 2022 I was delighted to welcome the Deadly in Generation STEM program to the SIEF portfolio. Deadly in Generation STEM was launched in the NSW regions of Moree and Illawarra in conjunction with Indigenous delivery partners and has been designed to meet the needs of the Indigenous communities in those areas. While still in its early days, the program is already strengthening awareness and understanding of culture and Indigenous knowledges.



CSIRO prepared ceramic tubes for solid oxide electrolysis for production of hydrogen from steam.

There is a ‘Valley of Death’ that stops scientific discoveries with great potential from becoming real-world solutions through lack of investment at crucial stages of commercialisation. I wanted to increase opportunities for these great discoveries to move from the lab bench into the marketplace to benefit Australia. The Experimental Development Program (EDP) – funded through the CSIRO Gifts – further develops technologies at Technology Readiness Level (TRL) 4 to attract industry funding for commercialisation. A recent review of the EDP found the program: fills an important gap in the Australian innovation system for experimental development research; SIEF is playing a role in supporting experimental development projects; the process educates researchers on innovation and entrepreneurship; and the program is de-risking technologies to support future investment.

Nineteen EDP projects have been funded since 2016 and are at varying stages of their commercialisation journeys. In particular, I’m pleased to see continued progress for the GraphAir team, who first looked at commercial applications for their graphene-based water purification membrane as part of CSIRO’s ON Accelerator a few years ago. This membrane has been shown to produce ultra-pure water at a reduced cost, with fewer steps compared to established technologies, as well as providing improved resistance to biofouling and degradation. The membrane has been shown to remove sodium chloride, metal salts, detergents, mine tailings and extremely toxic chemical compounds including per- and polyfluoroalkyl substances (PFAS) chemicals from water sources.

A review of GraphAir's involvement in EDP found SIEF played an instrumental role in addressing the 'Valley of Death' phase, gaining commercial traction, and improving the impact potential of GraphAir technology by making a concerted, focused effort possible on product development, driving the focus of end use applications and providing valuable feedback from independent, industry-focused reviewers. The next step is to develop a large-scale pilot system for field trials. Read more on page 189.

SIEF is also playing an important role in developing the green and renewable technologies that Australia needs for its transition to a reliable net zero emissions energy future at the lowest cost. SIEF, via an EDP project, has recently funded construction of a pilot plant that will harness steam – a by-product of steelmaking – and use this to generate hydrogen to drive the steel making process. This will displace the use of coal and coke as the main source of energy. The technology has the potential to reduce CO<sub>2</sub> emissions by 15 per cent and achieve a target cost for hydrogen close to the Australian Government's \$2 per kg target for green hydrogen. Achieving this price target will facilitate adoption of hydrogen at a scale to decarbonise the energy, industry and transport sectors. Importantly, this project has the support of industry, powered by collaboration between CSIRO and BlueScope Steel.

Both CSIRO and SIEF acknowledge that Australia's greatest challenges cannot be solved by one organisation or Fund alone. CSIRO launched its missions program in 2020 to bring together broad coalitions of partners to tackle bold, complex challenges. Similarly, the SIEF National Missions Collaboration Program (SNMCP) has been established to address national challenges on a global scale. This CSIRO Gift-funded program is supporting Australia's participation in the National Science Foundation Global Centers: Use-inspired research addressing global challenges in climate change and clean energy (Global Centers Program). Announced in February 2023, this initiative brings together partners from the US, Canada, the UK and Australia to fund international, interdisciplinary collaborative research centres that will apply best practices of broadening participation and community engagement to meet our biggest challenges in the future. Funding outcomes are expected to be announced in September 2023. The SNMCP will support Australian-based research teams to undertake science and research activities addressing national priorities and contribute to achieving Australia's national objectives. It will support projects that deliver on the objectives of CSIRO's missions and enable ecosystem-wide collaboration.

World-class national science infrastructure is essential to every stage of the science pipeline – from building capability, to fostering collaboration, to scaling-up towards commercialisation. During my term as Trustee, I re-established the Medium Equipment Program in 2022–23 for a further 2 rounds of funding, with \$18 million from the CSIRO Gift supporting the procurement of new state-of-the-art assets, providing a huge boost to Australian research and increasing opportunities for collaborations. In recent years, infrastructure funded by SIEF has ranged from co-investment in a fleet of Argo floats to autonomously gather ocean data, through to a virtual lab for cyber security research.

My role as Trustee is greatly assisted by the Fund’s Advisory Councils and expert advisors. I’ve been honoured to have great leaders like Maile Carnegie, Tom Spurling, Alan Robson, Margaret Sheil, Ezio Rizzardo and John Paitaridis. They have generously supported the Fund by providing guidance and insight on a pro bono basis. Their contributions have ensured investments are directed to where the greatest difference can be made for national and global significance and impact, sustainability and productivity of Australia’s industries.

It has been a privilege to act as the Trustee of SIEF over the past 8 years and I look forward to seeing the impact of the replenished Fund’s investment in science and industry in strengthening Australia’s capacity to address national challenges into the future.



**Dr Larry Marshall**  
SIEF Trustee

**Current Consultative Council (NSW Endowment):**

- Mr David Wright (Chair)
- Ms Gabrielle Trainor AO
- Dr Ian Opperman
- Ms Chloe Read
- Professor Elanor Huntington
- Ms Gail Fulton



## 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 (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 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 Entity 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 Chief Executive of the Commonwealth Scientific and Industrial Research Organisation (the Trustee) is responsible for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosure Requirements. The Trustee is also responsible for such internal control as they determine is necessary to enable the preparation of the 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 the Entity to continue as a going concern, taking into account whether the Entity'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

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to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

#### **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 entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee;
- conclude on the appropriateness of the Trustee'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 entity'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 entity 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 those charged with governance 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

30 August 2023

**SCIENCE AND INDUSTRY ENDOWMENT FUND**

**Statement by the Trustee and Chief Finance Officer**

**For the year ended 30 June 2023**

**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 2023 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 2023 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.

Signed in accordance with a resolution of the Directors.

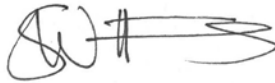


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**Kirsten Rose**

Trustee (Acting) of the Science and Industry Endowment Fund

28 August 2023



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**Stewart Walters**

Chief Finance Officer of CSIRO as service provider to the Science and Industry Endowment fund

28 August 2023



**SCIENCE AND INDUSTRY ENDOWMENT FUND****Statement of Comprehensive Income***for the period ended 30 June 2023*

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Expenses</b>			
Scientific research grants	1.1A	<b>11,057,587</b>	6,069,145
Service fee under services agreement with CSIRO	1.1B	<b>516,130</b>	593,500
Audit fees	1.1C	<b>18,870</b>	11,500
Other fees	1.1D	<b>10,071</b>	6,001
<b>Total expenses</b>		<b>11,602,658</b>	6,680,146
Interest revenue	1.2A	<b>3,153,988</b>	484,525
Gifts	1.2B	<b>39,000,000</b>	18,000,000
<b>Total revenue</b>		<b>42,153,988</b>	18,484,525
<b>Net profit for the period</b>		<b>30,551,330</b>	11,804,379
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>30,551,330</b>	11,804,379

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 2023*

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	2.1A	<b>118,457,950</b>	89,373,110
Trade and other receivables	2.1B	<b>1,875,112</b>	408,622
<b>Total assets</b>		<b>120,333,062</b>	89,781,732
<b>LIABILITIES</b>			
<b>Current</b>			
Suppliers payable		-	-
<b>Total Liabilities</b>		-	-
<b>Net assets</b>		<b>120,333,062</b>	89,781,732
<b>EQUITY</b>			
Contributed equity		<b>200,000</b>	200,000
Retained earnings		<b>120,133,062</b>	89,581,732
<b>Total equity</b>		<b>120,333,062</b>	89,781,732

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND****Statement of Changes in Equity***for the period ended 30 June 2023*

	<b>Retained Earnings</b>	<b>Contributed Equity</b>	<b>Total Equity</b>
<b>Opening balance 1 July 2022</b>	<b>89,581,732</b>	<b>200,000</b>	<b>89,781,732</b>
Net profit	30,551,330	-	<b>30,551,330</b>
<b>Closing balance 30 June 2023</b>	<b>120,133,062</b>	200,000	<b>120,333,062</b>

	<b>Retained Earnings</b>	<b>Contributed Equity</b>	<b>Total Equity</b>
<b>Opening balance 1 July 2021</b>	<b>77,777,353</b>	<b>200,000</b>	<b>77,977,353</b>
Net profit	11,804,379	-	<b>11,804,379</b>
<b>Closing balance 30 June 2022</b>	<b>89,581,732</b>	200,000	<b>89,781,732</b>

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

**SCIENCE AND INDUSTRY ENDOWMENT FUND**

**Cash Flow Statement**

*for the period ended 30 June 2023*

	Notes	2023	2022
<b>Operating activities</b>			
<b>Cash received</b>			
CSIRO gift		39,000,000	18,000,000
Interest received		2,104,819	453,414
GST credits received		742,938	569,105
<b>Total cash received</b>		<b>41,847,757</b>	<b>19,022,519</b>
<b>Cash used</b>			
Payments to grantees		12,163,346	6,676,060
Other payments		599,571	672,101
<b>Total cash used</b>		<b>12,762,917</b>	<b>7,348,161</b>
<b>Net cash used in operating activities</b>		<b>29,084,840</b>	<b>11,674,358</b>
<b>Net increase in cash held</b>			
Cash and cash equivalents at the beginning of the reporting period		89,373,110	77,698,752
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>118,457,950</b>	<b>89,373,110</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 REPORT**  
**for the period ended 30 June 2023**

**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.

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. Between financial years 2018 and 2022 CSIRO made further gifts totalling \$51 million to the Fund, with an additional \$39m in financial year 2023. These gifts were also made subject to the terms of the Deed of Gift between the Trustee and CSIRO dated 15 October 2009.

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 2022-23 under the NSW Endowment were \$3,470,000 (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 2022-23 under the Future National ICT Industry Platform Program were \$200,000 (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 2022-23 were \$11,602,658 (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 financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

**SCIENCE AND INDUSTRY ENDOWMENT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**for the period ended 30 June 2023**

**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.

**Adoption of new and future Australian Accounting Standards**

All new, revised and amending standards and/or interpretations that were issued prior to the signing of these statements and applicable to the current reporting period were adopted by the Fund and did not have a material effect on the financial statements. The Fund has not early adopted any standards, interpretations or amendments that have been issued and are not yet effective.

**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 period ended 30 June 2023

**1.1 Expenses**

	2023	2022
<b>1.1A: Scientific research grants</b>		
Education and Outreach Program	-	18,000
Future National ICT Industry Platform Program	-	1,494,897
Research Infrastructure Program	5,622,000	185,000
Special Research Program	-	160,000
Promotion of Science Program - Scholarships and Fellowships	100,000	100,000
Experimental Development Program	1,960,587	1,686,248
NSW Endowment Grant	3,375,000	2,425,000
<b>Total scientific research grants</b>	<b>11,057,587</b>	<b>6,069,145</b>

**Accounting Policy**

The Fund awards grants to support approved eligible applications and activities in instalments, subject to the completion of 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 Reports.

	2023	2022
<b>1.1B: Service fee under services agreement with CSIRO</b>		
Service fee	516,130	593,500
<b>Total service fee</b>	<b>516,130</b>	<b>593,500</b>

**Accounting Policy**

Services fees under services agreement with CSIRO are expensed as incurred.

	2023	2022
<b>1.1C: Audit fees</b>		
Audit fees	18,870	11,500
<b>Total audit fees</b>	<b>18,870</b>	<b>11,500</b>

**Accounting Policy**

Audit fees are recognised when they have been incurred (irrespective of having been invoiced). Outside of audit services, no other services have been provided by the auditors.

	2023	2022
<b>1.1D: Other fees</b>		
Bank fees	71	1
Professional fees	10,000	6,000
<b>Total other fees</b>	<b>10,071</b>	<b>6,001</b>

**Accounting Policy**

All other expenses include operational expenses and are expensed as incurred. Other operating expenses consist of bank fees in addition to GIFT fund service fees.

SCIENCE AND INDUSTRY ENDOWMENT FUND

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

for the period ended 30 June 2023

**1.2 Income and Gains**

	2023	2022
<b>1.2A: Interest revenue</b>		
Cash bank account interest	266,712	95,859
Term deposits interest	2,887,276	388,666
<b>Total interest revenue</b>	<b>3,153,988</b>	<b>484,525</b>

**Accounting Policy**

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

	2023	2022
<b>1.2B: Gifts</b>		
CSIRO gift	39,000,000	18,000,000
<b>Total gifts</b>	<b>39,000,000</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 \$39 million gifts received from CSIRO in 2022-23 is to be used to further Fund objectives (2021-22 \$18m).

**2.1 Assets**

	2023	2022
<b>2.1A: Cash and cash equivalents</b>		
Cash at bank	45,867,950	23,223,110
Term deposits	72,590,000	66,150,000
<b>Total Cash and cash equivalents</b>	<b>118,457,950</b>	<b>89,373,110</b>

**Accounting Policy**

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

	2023	2022
<b>2.1B: Trade and other receivables</b>		
Interest receivable	1,250,037	200,868
GST receivable	625,075	207,754
<b>Total receivables</b>	<b>1,875,112</b>	<b>408,622</b>
Less impairment loss allowance	-	-
<b>Total Trade and other receivables</b>	<b>1,875,112</b>	<b>408,622</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. Refer to accounting policies of financial assets in Note 4.1 Financial Instruments - Initial recognition and subsequent measurement.



**3.1 Financial Instruments**

	2023	2022
<b>3.1A: Categories of financial instruments</b>		
<b>Financial assets</b>		
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	118,457,950	89,373,110
Trade & other receivables	1,875,112	408,622
<b>Total financial assets measured at amortised cost</b>	<b>120,333,062</b>	<b>89,781,732</b>
<b>Total financial assets</b>	<b>120,333,062</b>	<b>89,781,732</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Suppliers payable	-	-
<b>Total financial liabilities measured at amortised cost</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>
<b>3.1B: Net gains or losses on financial assets</b>		
<b>Financial assets measured at amortised cost</b>		
Bank interest	3,153,988	484,525
<b>Net gain from financial assets at amortised cost</b>	<b>3,153,988</b>	<b>484,525</b>

**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).

**4.1 Related Parties**

**Accounting Policy**

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 when taking into account the details provided within other notes to these financial statements. 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.

