



# ANNUAL REPORT | 2020–21



Department of Industry, Science,  
Energy and Resources

Industry Growth Centres



Australian Cyber Security Growth Network





Cyber security is emerging  
as one of Australia's most  
promising growth sectors

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## CHAIR'S STATEMENT

The 2020–21 financial year was a very different year for AustCyber. Like the majority of Australia's economy, AustCyber experienced operational interruptions due to the COVID-19 pandemic. Although, unlike the majority of industry, we were able to provide ongoing support to the more than 350 Australian cyber security companies our mission serves.

We also merged with Stone and Chalk Limited, another Australian non profit focused on supporting startups and scaleups, as part of our journey to assure financial sustainability and the scaling of our operations.

Our 2020 update to Australia's Cyber Security Sector Competitiveness Plan (SCP) provided vital insights into the current state of the sector. We also partnered with CISO Lens for a second year on a public version of the annual CISO Lens Benchmark Report. Within the financial year, we published Australia's first Digital Trust Report, which provided new and sophisticated data on the role of trust in Australia's reliance on the digital economy.

We added another three Nodes to our National Network of Cyber Security Innovation Nodes, with locations in Townsville, Maroochydore and Brisbane. We delivered our fourth annual Australian Cyber Week, which saw us launch Circuit Board City, a 100% Australian online event delivery platform. We hosted 34 events across five days, including the second annual National Missing Persons Hackathon.

The long-anticipated AUCyberscape, Australia's first digital ecosystem on cyber security, was launched in partnership with IAG and Firemark Labs. We are particularly excited about this collaboration which places Australian cyber security companies into the spotlight and uses the internationally developed Cyber Body of Knowledge (CyBOK) to categorise the companies' offerings.

Round two of our Projects Fund saw dozens of projects near completion, with AUCyberExplorer (previously called CyberSeek AU) launched within the reporting period – a collaboration between Accenture, CyberCX, Burning Glass, CompTIA and AustCyber. This platform, which complements AUCyberscape, provides visibility of Australia's cyber security workforce through the lens of supply and demand by geography. Using the intelligent data methodologies of Burning Glass, insights are the never before available insights are already being widely used by policymakers, employers and job seekers alike.

We consulted on, contributed to and participated in multiple national events and strategies, including the Australian Government's 2020 Cyber Security Strategy, as well as updates to similar strategies for the NSW and VIC governments. We also contributed to the review of the Australian and New Zealand Standard Classification of Occupations (ANZSCO) which will see cyber security added as a set of classifications for the first time.

This is but a snapshot of our achievements in building knowledge



infrastructure to support sustained growth in Australia's cyber security industry, deepen export pathways and help make Australia a leading centre for cyber security education.

**Doug Elix AO**  
Chair

# 1

## COMPANY OVERVIEW


### Our mission

AustCyber is a publicly funded, private company limited by guarantee, which commenced operations on 1 January 2017. Our mission is to grow Australia's cyber security sector. In doing so, our activities enhance Australia's future economic growth in a digitally enabled global economy and improve the sovereign cyber capabilities available to protect our nation's economy and community.

We form a part of:

- the Australian Government's Industry Growth Centres Initiative, in sectors of competitive strength and strategic priority to boost innovation and science in Australia. Industry Growth Centres are required under contract with the Commonwealth to achieve for their sector:
  - increased R&D coordination and collaboration leading to improved commercialisation outcomes;
  - improved management and workforce skills of businesses;
  - more businesses, including small and medium enterprises, integrated into global supply chains leading to increased export income;
  - a reduction in the cost of business through regulatory reform; and
  - additional or indirect (spillover) outcomes.
- Australia's 2016 Cyber Security Strategy. It was through the industry consultation and development of this strategy that the concept for AustCyber was first conceived.





During the financial year, AustCyber made the strategic decision to merge with Stone and Chalk Limited (Stone & Chalk). This was in part due to the Commonwealth's request for Industry Growth Centres to transition to financial self sustainability. It was also in response to increasing pressure from industry for AustCyber to increase the resourcing of its Cyber Security Innovation Nodes and scale its programs. This included requests to expand what we do into adjacent industries.

Throughout the year, the majority of funding was received from Australian Government grants – funding for operations and programs, and for our AU\$15 million AustCyber Projects Fund, which provides grants to projects that deliver national benefit. We also received funding from the governments of the ACT, NSW, QLD, SA, TAS, WA and the Sunshine Coast Regional Council and Townsville City Council, which we matched, to deliver AustCyber's National Network of Cyber Security Innovation Nodes – with the NT and VIC soon to join.

We work to align and scale Australian cyber security research and innovation related activities across the private sector, research communities, academia and within Australian governments. We are responsible for maintaining a strong supply of innovative Australian cyber security solutions and capability, and have established ourselves as an independent advocate for the competitive and comparative advantages of Australian technical and non-technical cyber security capabilities.

Beyond our shores, we work with partners across many countries to develop export pathways for Australian solutions and capability. This helps the rapidly growing Australian cyber security sector tap into market 'hot spots' around the world.

# THE YEAR IN REVIEW

## Key achievements and reflections on pandemic impacts

### Expansion through merging

In February 2021, AustCyber's Members changed, from its Funding Members of Mr Douglas Elix AO and Mr Adrian Turner, to Stone & Chalk. Its Board remains in place, chaired by the Commonwealth-appointed Mr Elix, who also became a Director on Stone & Chalk's Board. The change in members is the means through which our two non profits gave legal effect to an operational integration, or merger in more colloquial terms, where the two entities have agreed to share resources where it makes sense to do so and integrate their missions.

The merger was a strategic move to achieve increased scale and national impact for both organisations. Almost every part of Australia's economy is digitally geared, and the impact of the global pandemic has accelerated the digitisation of businesses, large organisations and governments. The speed at which this has occurred has brought both significant risk and great opportunity.

The COVID-19 pandemic has highlighted how vulnerable we can be when we don't have domestic capability in critical areas, particularly with regards to technology. We have seen that these vulnerabilities affect a wide range of industries and our daily lives. This touches everything from the integrity of our goods and services, like food and water, to producing high-growth companies that provide enough employment, and national security entities that are tasked with protecting Australia's interests. All of which ties into our sovereign industrial capability.

It is both the risk to, and opportunity, for Australia that has brought AustCyber and Stone & Chalk together. Our shared purpose is to identify, select, nurture and propel emerging technology companies which are strategically significant to Australia's national interest.

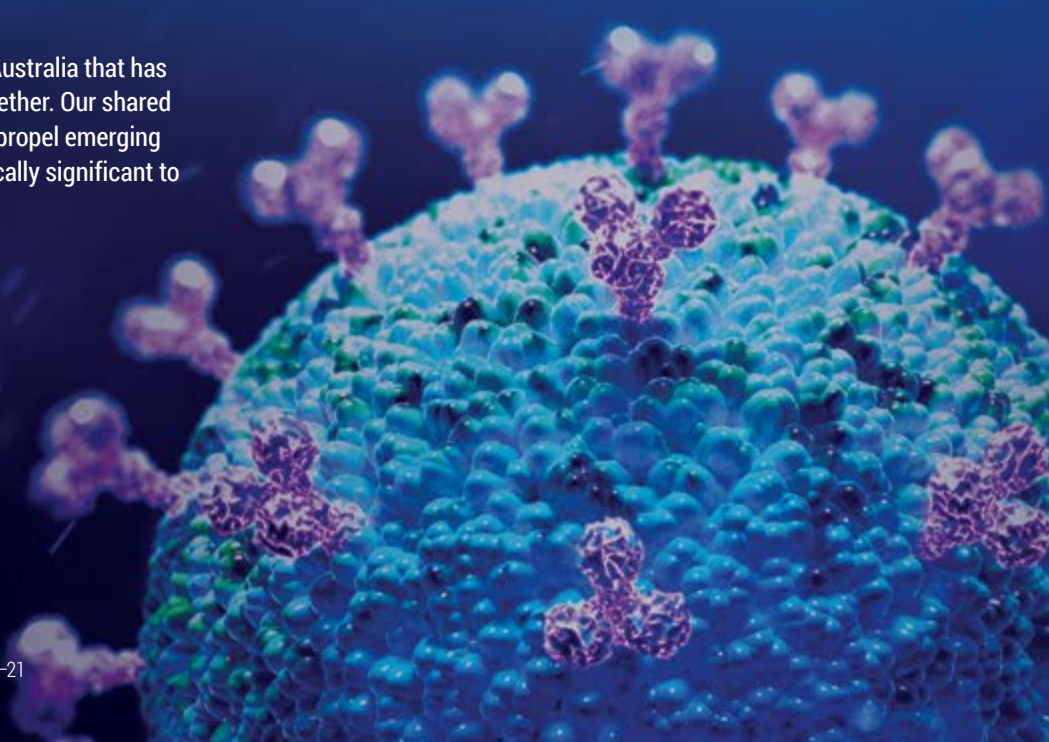
Our merged companies are driving sophisticated growth programs, ensuring competitive capabilities in areas such as cyber security, space, defence, fintech, health and critical infrastructure. Together, our work will help further Australia's national interest by focusing on national and economic security, therefore helping secure Australia's sovereign domestic capability.

Furthermore, these will all be delivered within a financially sustainable business model.

The integration also helps both organisations:

- achieve their strategic goal to establish a sovereign investment fund;
- accelerate their ability to respond to industry need for sophisticated growth programs;
- assists AustCyber to successfully transition from a government-funded Industry Growth Centre to a revenue driven service provider; and
- provides Stone & Chalk with an extended national footprint, along with deeper relationships with the federal government.

A new three-year business strategy has been developed in order to position the Group of companies to take advantage of emerging opportunities within the market and in Australia's recovery from the COVID-19 pandemic.





## Program achievements

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During the reporting period, AustCyber continued to deliver against our mission as planned.

Our Projects Fund saw the completion of 15 new projects, all of which have provided new and, in some cases unique, Australian born capabilities that help solve complex cyber security challenges.

We launched our Brisbane and Townsville Nodes with successful in-person events, having held off from mid-2020 when these Nodes were announced, along with Sunshine Coast.

We also launched Australia's first cyber security digital ecosystem, AUCyberscape – a dynamic and comprehensive online marketplace for Australian cyber security products and services. We proudly developed the ecosystem in partnership with Insurance Australia Group (IAG), together with contributions from Austrade and state and territory governments. Phases two and three of the platform will be released in 2021–22.

Further, we launched 'OzCyber Unlocked', AustCyber's monthly podcast, discussing cyber security issues topical for the Australian economy and showcasing Australian cyber security capability. It has developed a strong following with downloads well above national average and an audience spanning 19 countries.

In August 2020, we released Australia's inaugural Digital Trust Report 2020<sup>1</sup>. It highlights the role 'digital trust' plays in attracting investment and driving jobs growth and draws on data modelled by Synergy's Advanced Modelling Group to quantify the value of digital activity to the Australian economy and the impact of a significant cyber security incident creating a digital interruption to the Australian economy. It demonstrates the importance of cyber security as a 'horizontal sector' in enabling growth opportunities across the digital infrastructure and data that underpins all other sectors of the economy.

In November 2020, we released a comprehensive update to Australia's Cyber Security Sector Competitiveness Plan (SCP). This update to the SCP included data on the comparative cyber security industry growth performance of states and territories, together with a 'state of the cybers' survey of all Australian cyber security companies.

Released as a companion document to the SCP for a second year, the CISO Lens Benchmark 2020<sup>2</sup> was launched in November 2020, with sponsorship support from AustCyber. It enables evidence-based decision making around cyber strategy and resource allocation and is founded on benchmarking completed by CISO Lens founder James Turner with cyber security executives to assess how their organisations respond to cyber risks.

AustCyber was also instrumental in a number of policy advocacy activities. This included socialization of the Australian Cyber Security Strategy 2020, contributions to the development of the National Digital Economy Strategy, contributions to the development of regulatory reforms to the security of the nation's critical infrastructure, shaping the addition of cyber security to the Australian and New Zealand Standard Classification of Occupations, the delivery of actions from the NSW Cyber Security Standards Harmonization Taskforce (that we co-chaired) and coordination of industry recommendations to the NSW Digital/ ICT Sovereign Procurement Taskforce, among many others.

## Impacts of the COVID-19 pandemic

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As was the case in the prior financial year, AustCyber and its Nodes were placed under increased resource pressure as a result of the pandemic, with the cyber security industry increasing its need for growth support. This was in response to unprecedented demand for cyber security products and services across the economy.

Our 2020 Update to the SCP provides a national reflection of this. Unlike almost other Australian industries, the cyber security industry experienced sustained growth and lost less than one per cent of companies operating pre-pandemic as a result of negative revenue.

This growth is a reflection of two key factors: Australia experiencing a dramatic and widespread increase in malicious cyber activity and, related, an upswing in organisational awareness and understanding of the importance of putting in place robust cyber defences.

1. <https://www.austcyber.com/resource/digitaltrustreport2020>

2. <https://www.austcyber.com/resource/ciso-lens-benchmark-2020>

# 2 COMMUNICATION AND ENGAGEMENT

## Media engagement

### Social media

AustCyber has seen significant growth in audience engagement through its company Twitter handle, @AustCyber, which grew by 32.8 per cent from 6,481 followers in July 2020 to 8,610 followers in June 2021. The company published 460 Tweets over the period, which appeared more than one million times (impressions) in user timelines or search results. There were close to 20,000 engagements with the Tweets over the period – which included retweets, replies, follows, likes and clicks on links, hashtags and embedded media. Further engagement was achieved through the supporting handles of @Cyber\_Roo, @NswCyber, @AustCyberSA, @QLDCyberNode, @AustCyberWA and @CBRNode.

AustCyber grew its LinkedIn followers by 59.5% from 11,482 in July 2020 to 18,315 in June 2021. The company published 349 posts over the period, garnering more than 500,000 impressions with total engagements reaching close to 160,000. Further engagement was achieved through the supporting LinkedIn pages of the NSW, Canberra, Western Australia and South Australia Cyber Security Innovation Nodes.

### 'Friend of the Network' list

AustCyber engages with the ecosystem through its 'Friend of the Network' newsletter and mailing list. AustCyber published 50 campaigns sent to 11,498 email addresses, with an open rate of 31.3% and an unsubscribe rate of only 0.3% over the reporting period.

### Website

AustCyber matured its web presence with a 30% increase in users (76,095) and 26.6% increase in sessions (105,259) over the reporting period. There were 212,040 page views in total, with an average duration of two minutes.

Most users visiting the website were from Australia (55.44%) and the United States of America (30.73%). Most visitors navigated to the website directly (36,612 users) versus other means such as organic searchers (34,727 users) and social media referrals (3,269 users).





### The top five most viewed pages on the company website were:

1. **Homepage** – 46,505 page views
2. **About us** – 9,952 page views
3. **About us: our team** – 7,116 page views
4. **NICE Workforce Framework dashboard** – 5,631 page views
5. **Australia's Cyber Security Sector Competitiveness Plan: Chapter 1** – 5,603 page views.

There were 1,246 page views of the 'Shaping the future together' merger microsite<sup>3</sup> between 15-19 February 2021.

## News media

AustCyber was referenced in Australian and global online news media through 592 unique articles that had a potential reach of **almost 260 million people**.

Of the top 20 articles, four articles were rated as having a positive sentiment, and 16 having neutral sentiment. AustCyber was not featured negatively in any of the articles.

Media coverage of the merger with Stone & Chalk included 30 articles, with a reach of 15.4 million people.

AustCyber executives were interviewed for 15 podcasts and 28 radio segments.

Over the reporting period, AustCyber's share of voice was 22% (when referenced in comparison to fellow Industry Growth Centres).

## Publications

Australia's inaugural Digital Trust Report 2020 was launched in July 2020. It highlights the role 'digital trust' plays in attracting investment and driving jobs growth and draws on data modelled by Synergy's Advanced Modelling Group to quantify the value of digital activity to the Australian economy and the impact of a significant cyber security incident creating a digital

interruption to the Australian economy. It demonstrates the importance of cyber security as a 'horizontal sector' in enabling growth opportunities across the digital infrastructure and data that underpins all other sectors of the economy.

AustCyber launched the 2020 update to the SCP in November 2020. The SCP has been established as the premier source of information and data on Australia's cyber security ecosystem. Over the period, the 2020 SCP was referenced in global online news media (not including syndicated publications) through 87 unique articles. It is referenced at least once daily by Australian online news media.

Released as a companion document to the 2020 SCP, the CISO Lens Benchmark 2020 was launched in November 2020. It enables evidence-based decision making around cyber strategy and resource allocation and is founded on benchmarking completed by CISO Lens founder James Turner with cyber security executives to assess how their organisations respond to cyber risks.

## Public speaking engagements

The AustCyber executive participated in 57 speaking engagements at various forums throughout the year. The 34 provided by the Chief Executive Officer are detailed at Appendix D.

3. <https://austcyber.com/shapingthefuturetogether>



# 3 OPERATIONAL ACTIVITIES

## Financial activity

Per the independently audited General Purpose Financial Report for the year ended 30 June 2021 (Annex C refers), AustCyber's total cash at the end of the financial year was \$7,832,048.

The BDO Annual Completion Report is at Appendix E.

## Commonwealth funding

AustCyber received a total of \$5,180,000 (excluding GST) from grant revenue through its funding arrangements with the Department of Industry, Science, Energy and Resources, broken down as follows:

Funding source	Amount (EXCL. gst)
Operating funds	\$5,180,000
Project funds	\$0
Other revenue	\$0

## State and territory funding

The organisation received \$642,500 in state and territory government contributions towards the national rollout and implementation of AustCyber's National Network of Cyber Security Innovation Nodes. This includes Node Manager salaries in some locations.

## AustCyber's Projects Fund

In 2020-21, AustCyber funded 15 Projects as part of Round 2, details of which can be found on the company website.<sup>4</sup> During the 2020-21 financial year, AustCyber paid \$4,992,776 to grant and Projects Fund recipients against agreed milestone deliverables.

## Growth Centre members

AustCyber did not have members<sup>5</sup> during the 2020-21 financial year and therefore did not receive any associated contributions.

## Expenditure

AustCyber's operating expenses for the period was \$4,909,305.

## Subcontractors

AustCyber engaged the services of 35 subcontractors to support the delivery of its programs during the 2020-21 financial year. These services included, but were not limited to:

- Office accommodation
- Corporate travel administration
- Consultancy and research
- Legal services
- Graphic design and printing
- Information and communication technology related services.

A full list of subcontractors engaged during the period is at Appendix C.

4. <https://austcyber.com/grow/projects-fund/previous-recipients>

5. Members in this context are members of the organisation, like members of an industry association for example, as opposed to entity Members which are the controlling mechanism of the company



# APPENDIX **A**

## Status of activities from the 2020–21 Business Plan

■ Target achieved   ■ Work underway to deliver target   ■ Not completed or shifting priorities

### Objective 1

Delivered scaled cyber security innovation superclusters, supported by a National Network of Nodes, providing the physical infrastructure underpinning sector growth.

Key Result	Status	Comments
1.1 Mature AustCyber's National Network of Nodes	■	Completed; outcomes will contribute to KRs under this objective in 2021–22

### Objective 2

Implemented sector knowledge infrastructure supporting commercialisation and innovation from idea to exit/export

Key Result	Status	Comments
2.1 Accelerate high potential, high growth Australian cyber security companies and deliver a framework for sustained growth	■	Partially complete; carried over to 2021–22 due to internal capacity challenges created by implementing the merger with Stone & Chalk
2.2 Embed cyber business investment readiness and investor focus on Australia's cyber industry	■	Partially complete; carried over to 2021–22. Aspects of this work is being integrated into a whole of startup ecosystem approach with Stone & Chalk
KR 2.3: Deliver a toolkit to support Australian cyber security companies to excel	■	Ceased during the reporting period; deemed to not be an effective use of resources against the operating environment



Key Result	Status	Comments
KR 2.4: Deliver and implement a prioritised incubator/accelerator uplift action plan		Ceased during the reporting period; deemed to not be an effective use of resources against the operating environment. Placed additional support into CyRise, Australia's premier cyber security accelerator
KR 2.5: Pilot the innovation supercluster concept in Adelaide and Canberra		Completed. The ACT has now launched their Cyber Hub concept as a result of this work (for which AustCyber is negotiating to be the delivery partner) and it was additive to the program focus of the Australian Cyber Collaboration Centre in SA
KR 2.6: Deliver a scalable innovation sandbox for targeted procurement of Australian cyber security products and services		Partially complete; carried over to 2021–22 due to internal capacity challenges created by implementing the merger with Stone & Chalk
KR 2.7: Deliver the Australian cyber security capability platform		Completed. Launched in March 2021 as AUCyberscape

### Objective 3

Established robust export pathways to key markets for globally competitive Australian cyber security capabilities.

Key Result	Status	Comments
KR 3.1: Australian cyber capabilities are positioned as an enabler to the key sectors and cross-sectoral areas in key offshore markets		Completed; outcomes will contribute to KRs under this objective in 2021–22

### Objective 4

Implemented a national platform for measurable and scalable cyber security skills development and workforce growth.

Key Result	Status	Comments
KR 4.1: Improve the veracity and workplace relevance of cyber security programs at Australia's universities and vocational training institutions		Partially complete; carried over to 2020–21 as planned







# APPENDIX **B**

**Financial report for the year  
ended 30 June 2020**

**AUSTRALIAN CYBER SECURITY  
GROWTH NETWORK LIMITED  
A.B.N: 73 616 231 451**





## Director's Report

The directors present their report on the company for the financial year ended 30 June 2021.

### Directors

The names of each person who has been a director during the year and to the date of this report are:

- Mr Douglas Thorne Elix AO
- Mr Adrian John Turner
- Ms Michelle Clare Price
- Ms Heather May Ridout AO
- Ms Rachel Falk, retired 15 October 2020
- Mr Edward Sheehy, appointed 15 October 2020
- Mr Alexander Scandurra, appointed 22 February 2021 and retired 19 August 2021

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Principal activities

No significant change in the nature of the company's activity occurred during the financial year.

However, a significant change in the company's structure occurred during the financial year. AustCyber merged with Stone and Chalk Limited, through a Deed of Integration executed on 5 February 2021. Under this Deed, AustCyber became a wholly controlled subsidiary of Stone and Chalk Limited whereby AustCyber's previous Members, abovenamed Mr Elix and Mr Turner, resigned and Stone and Chalk Limited became the sole Member with the Member holding a supermajority voting right.

## Strategies

- Demonstrate leadership and coherence
  - Create a national cyber security narrative and ensure cohesion across national cyber security programmes, leading to accelerated industry investment and more rapid scaling.
- Drive industry collaboration and coordination
  - Enable connectivity and information flow to promote high levels of collaboration for the industry. This will reduce wasteful duplication and therefore allow better leverage of resources and create increased productivity.
- Accelerate commercialisation
  - Accelerate the creation and adoption of Australian based cyber security products, services and best practices, domestically, regionally and globally.
- Facilitate talent growth
  - Rapidly build the quantity and professionalism of Australia's cyber security workforce to become globally competitive and respected.
- Pursue policy advocacy and reform
  - Proactively recommend and support policy and regulatory reforms aimed specifically at the cyber security sector to foster an environment in which innovation and entrepreneurship can thrive.

## Information on directors

### Mr Douglas Thorne Elix AO

Position: Co-Chair

#### Experience:

Doug Elix retired from IBM in July 2008. From May 2004 to April 2008, he was Senior Vice President and Group Executive for IBM's worldwide sales and distribution operations, including revenue, profit and customer satisfaction in the 170 countries where IBM does business. In this role, he led IBM's direct sales force, business partners and ibm.com channels, which accounted for worldwide sales of all IBM products and services of some \$95 billion.

Mr Elix was named to that position in May 2004 and he was responsible for the worldwide operation of IBM Global Services, the world's leading business and information technology services provider with approximately 170,000 professionals. IBM Global Services, which had grown annual revenues to \$43 billion in 2003, included IBM Business Consulting Services, the business unit formed through the combination of PwC Consulting and IBM's Business Innovation Services unit. By integrating IBM's broad range of capabilities in services, consulting, hardware, software and research, IBM Global Services helps companies of all sizes improve business performance through information technology. IBM Global Services today comprises Global Business Services (GBS) and Global Technology Services (GTS) with combined 2015 revenues of \$49 billion.

In July 1998, Mr Elix was named General Manager, IBM Global Services, Americas, an organisation covering the US, Canada and Latin America. Prior to that, he was General Manager, IBM Global Services, North America, beginning in December 1996. Earlier that year, he was appointed President and Chief Executive Officer of Integrated Systems Solutions Corp. (ISSC), a wholly owned services subsidiary of IBM.

In 1994, he was named Chief Executive Officer, IBM Australia Ltd, having been director of operations for IBM Australia/New Zealand since 1991. He was named Director of the finance industry for IBM Asia Pacific in 1990. Since joining IBM in 1969, Mr Elix has held a broad range of positions in systems engineering, marketing, marketing management and general management in Australia and Asia/Pacific prior to his transfer to the US in 1996.

He has served on the Boards of IBM Australia Limited, the Australian Information Industries Association and the Australian Institute of Management. He was also a member of the Business Council of Australia, and a member of the Prime Minister's National Information Services Council (NISC). He was the leader of the IBM Corporate Operating Team and a member of the IBM Performance Team. He was a member of the Board of directors of the Royal Bank of Canada for 10 years until his retirement in March 2011.

Mr Elix is Chairman of the Board of the Australian Independent Schools USA Foundation, a member of the Advisory Committee of The Australian Centre of Excellence for Quantum Computation & Communication Technology, and a member of the Board of The Queen Elizabeth II September 11th Garden in New York.

In June 2006, Mr Elix was awarded the rank of Officer of the Order of Australia (AO) for his service to the information technology and services industry internationally, to the business sector through facilitating the introduction of world's best technology in many companies, and as a mentor to industry professionals.

Special responsibilities: None

### **Mr Adrian John Turner**

Position: Co-Chair (retired 23 August 2021)

#### **Experience:**

Adrian is an experienced corporate leader and has a strong track record of building innovative companies and organisations that tackle complex challenges.

At Minderoo Foundation, Adrian is CEO of the Fire Fund Initiative, which was established in January 2020 with a \$70 million commitment from Andrew and Nicola Forrest. The collaborative initiative aims to see Australia become a global leader in fire and flood resilience by 2025. The initiative is also working with communities to help them respond and recover from the devastating 2019–20 Black Summer bushfires.

Prior to joining the Minderoo Foundation, Adrian was the founding CEO of CSIRO's Data61, the data and digital specialist arm of Australia's national science agency.

He previously spent 18 years in Silicon Valley and was the Co-founder of Borondi Group, Co-founder and CEO of Mocana Corporation, had profit and loss responsibility for Philips Electronics connected devices infrastructure and was Chairman of the Board for Australia's expat network, Advance.org.

Adrian is an avid reader and writer with deep interests in AI, data economics and biosecurity, as well being an artist. He graduated from UTS and completed the Executive Program for Managing Growth Companies at Stanford University and authored the book BlueSky Mining – Building Australia's Next Billion Dollar Industries.

Special responsibilities: None

### **Ms Michelle Price**

Position: Director, Chief Executive Officer

#### **Experience:**

Michelle Price is the CEO of AustCyber. She was the inaugural Chief Operating Officer of AustCyber, joining the company in January 2017 and appointed as CEO in April 2018. Prior to joining AustCyber, Michelle was the first Senior Advisor for Cyber Security at the National Security College within The Australian National University, where she established an integrated approach to the College's cyber security program across executive and postgraduate education and policy engagement.

Before joining the ANU, Michelle was with the Australian Government Department of the Prime Minister and Cabinet (PM&C), where she was instrumental to the delivery of the Australian Government's 2015 Cyber Security Review and Cyber Security Strategy. In a previous role at PM&C, Michelle delivered the National Security Strategic Risk Framework (the first of its kind in the world) and Coordinated National Security Budget. Prior to PM&C, Michelle worked in several strategy and risk roles across Government, having moved to the public service from the communication and media sector and the food safety segment of Australia's food manufacturing sector.

Special responsibilities: Acting Company Secretary

### **Ms Heather May Ridout AO**

Position: Director

#### **Experience:**

Heather Ridout is a company director with a long history as a leading figure in the public policy debate in Australia. Heather is the immediate past Chair of AustralianSuper – the largest industry fund in Australia; a Director of ASX Ltd; Director of Image Networks Holdings Pty Ltd and a Director of Sims Metal Management – the world's largest publicly listed recycling company. Her other appointments include member of the Boards of the Australian Chamber Orchestra and the Advance Australia Advisory Board.



Up until 30 April 2012, Heather was Chief Executive of the Australian Industry Group – a major, national employer organisation representing a cross section of industry including manufacturing, defence, ICT and labour hire. Her previous appointments include: member of the Reserve Bank Board; member of the Henry Tax Review panel; board member of Infrastructure Australia; member of the Business Roundtable on Climate Change; member of the National Workplace Relations Consultative Committee; member of the Prime Minister's Taskforce on Manufacturing; co-Chair of the Australian-Canada Economic Leadership Dialogue and a delegate to the B20 which is the key business advisory body to the G20.

In June 2013, Ms Ridout was awarded the rank of Officer of the Order of Australia (AO) in the general division for distinguished service to business and industry through significant contributions to the development of economic and public policy.

Special responsibilities: None

### **Ms Rachael Falk**

Position: Director (retired 15 October 2021)

#### **Experience:**

As Chief Executive Officer of the Cyber Security Cooperative Research Centre, Rachael leads a cutting-edge program of cyber security research collaboration between government, industry and research institutions. The aim is impact, lifting Australia's cyber security capacity and capability and creating innovative solutions for the ever-evolving problems of our interconnected world.

Rachael was Telstra's first General Manager of Cyber Influence and has a background in commercial law and cyber security, practising as a lawyer at top-tier firms in Australia and the UK and in-house for Telstra.

She holds an Advanced Masters in National Security Policy (Hons) from the National Security College (ANU), Bachelor of Laws (Hons) (UTS) and Bachelor of Arts (ANU).

Special responsibilities: None

### **Mr Edward Sheehy**

Position: Director (appointed 15 October 2020)

#### **Experience:**

Eddie is a tech entrepreneur, investor and non-executive director with a significant interest in early stage cyber security technology companies. He helps and mentors founders and CEOs who have ambitions to rapidly grow their ideas or companies.

From 2006-2017 as Co-founder and CEO, he oversaw the commercialisation and global expansion of Nuix Pty Ltd, from two developers to a profitable \$100+ million business. Eddie has been a mentor in the Cyrise accelerator program since 2017 and is on a number of tech company boards, including one of Australia's most successful cyber security companies, Secure Code Warrior. Eddie is passionate about securing Australia's future through growing local cyber security capabilities and ensuring founders retain control of their business as it grows.

Special responsibilities: None

### **Mr Alexander Scandurra**

Position: Director (appointed 22 February 2021; retired 19 August 2021)

#### **Experience:**

Alex has a strong track record in bringing a business to life. After serving nine years in the Australian Army, leaving in the rank of Captain, he has worked in senior roles across the construction and financial services industries, in Australia and across the Middle East and United Kingdom. Most recently, he was instrumental in establishing Stone & Chalk Limited in 2015 as its inaugural CEO. He is also a mentor, board member and angel investor spanning all growth models from startups to scaleups and from corporate to government.

Alex is the Co-Founder and a founding Director of Fintech Australia, Co-Founder and Co-Chair of the Spark Festival and Non-Executive Director of Redkite. He was the Inaugural Member of ASIC's Digital Finance Advisory Board as well as that for the NSW Government's Digital Analytics Centre Advisory Board.

Special responsibilities: Member's representative

## Key performance measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks, that include meeting key milestone deliverable articulated in the funding agreement between the company and the Commonwealth. The benchmarks are used by the directors and the Commonwealth to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

For 2021, the measures related to the company delivering: quarterly financial reports, a 2020–21 Annual Report, and annual 2020 update to the Cyber Security Sector Competitiveness Plan and a Business Plan for the 2020–21 Financial Year.

The delivery of these key milestones was achieved for the reporting period.

## Meetings of directors

During the financial year, five meetings of directors were held: 22 July 2020, 15 October 2020, 28 January 2021, 22 February 2021 (AGM) and 23 April 2021. Attendances by each director were as follows:

	Eligible to attend	Attended
Mr Douglas Thorne Elix AO	5	5
Mr Adrian John Turner	5	5
Ms Michelle Clare Price	5	5
Ms Heather May Ridout AO	5	5
Ms Rachel Falk	2	2
Mr Edward Sheehy	4	3
Mr Alexander Scandurra	2	2

## Financial impact of COVID-19

AustCyber has determined there are no going concern risks arising from the impact of the COVID-19 pandemic. The directors have determined the company remains in a healthy financial position.

It is not possible to reliably estimate the duration and severity of the impact of COVID-19, as well as the impact on the financial position and results of Australian Cyber Security Growth Network Limited for future periods. However, based on analysis of the financial performance and position the financial statements have been prepared on a going concern basis. Australian Cyber Security Growth Network Limited believes at this point in time that there is no significant doubt about Australian Cyber Security Growth Network Limited's ability to continue as a going concern.

## Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute. The total amount that members of the company are liable to contribute if the company is wound up is \$10 based on one member.

## Auditor's independence declaration

The lead auditor's independence declaration, in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received.

Signed in accordance with a resolution of the Board of Directors:



**Director: Mr Douglas Elix AO**

Dated this 13 day of October 2021

## DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF AUSTRALIAN CYBER SECURITY GROWTH NETWORK LIMITED

As lead auditor of Australian Cyber Growth Network Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* and of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Tim Aman  
Director

**BDO Audit Pty Limited**

Sydney, 13 October 2021



**General Purpose  
Financial Report**



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Income</b>			
Grant revenue		9,713,813	5,447,285
Other revenue		194,584	129,086
<b>Total Revenue</b>	3	9,908,397	5,576,371
<b>Expenditure</b>			
Accountancy expenses		(100,015)	(61,925)
Advertising expenses		(903,627)	(594,181)
Auditors' remuneration	4	(18,031)	(15,500)
Depreciation and amortisation expenses		(58,931)	(65,855)
Employee benefits expenses		(2,514,731)	(1,938,866)
Finance costs		(2,324)	(1,952)
Grant and project funding expenses		(4,992,776)	(1,867,102)
Professional and consultancy expenses		(697,404)	(578,179)
Subscriptions, reference & licenses expenses		(146,580)	(80,720)
Training expenses		(61,674)	(30,594)
Travel expenses		(163,272)	(210,712)
Other expenses		(242,716)	(145,467)
<b>Profit for the year</b>	5	–	–
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		–	–

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	7,832,048	11,565,691
Trade and other receivables	7	134,264	205,000
Other current assets	8	175,777	189,577
Right of use asset	9	54,384	18,293
<b>TOTAL CURRENT ASSETS</b>		8,196,474	11,978,561
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	34,066	33,532
<b>TOTAL NON-CURRENT ASSETS</b>		34,066	33,532
<b>TOTAL ASSETS</b>		8,230,540	12,012,093
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	600,479	523,132
Lease liabilities	13	55,317	16,064
Employee benefits		107,327	104,166
Provisions	14	–	10,000
Deferred revenue		7,467,417	11,358,730
<b>TOTAL CURRENT LIABILITIES</b>		8,230,540	12,012,093
<b>TOTAL LIABILITIES</b>		8,230,540	12,012,093
<b>NET ASSETS</b>		–	–
<b>EQUITY</b>			
<b>TOTAL EQUITY</b>		–	–

The accompanying notes form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 30 JUNE 2021

	Retained Surplus \$	Total \$
<b>Balance at 01 July 2019</b>		
Surplus for the period	—	—
Other comprehensive income	—	—
<b>Total comprehensive income attributable to members of the entity for the year</b>	—	—
<b>Balance at 30 June 2020</b>	—	—
<b>Balance at 01 July 2020</b>	—	—
Surplus for the year	—	—
Other comprehensive income	—	—
<b>Total comprehensive income attributable to members of the entity for the year</b>	—	—
<b>Balance at 30 June 2021</b>	—	—

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts of grants		9,784,190	9,866,924
Receipts from customers		143,768	77,212
Payments to suppliers and employees		(13,653,789)	(6,475,040)
Interest received/(paid)		193	(171)
Interest paid on lease liability		(1,941)	(1,895)
Other Income		50,240	59,960
<b>Net cash (used in)/provided by operating activities</b>	11	(3,677,339)	3,526,990
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(15,998)	(12,771)
<b>Net cash used in investing activities</b>		(15,998)	(12,771)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability		(40,306)	(47,108)
<b>Net cash used in financing activities</b>		(40,306)	(47,108)
Net (decrease)/increase in cash held		(3,733,643)	3,467,111
Cash at beginning of financial year		11,565,691	8,098,580
<b>Cash at end of financial year</b>	6	7,832,048	11,565,691

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The financial reports cover Australian Cyber Security Growth Network Limited as an individual entity. Australian Cyber Security Growth Network Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

### 1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The financial report is presented in Australian Dollars, which is the company's functional and presentation currency.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and liabilities in the ordinary course of business. The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The financial report was authorised for issue in accordance with a resolution of the Board of Directors on 13 October 2021.

## 2. Summary of significant accounting policies

### (a) Property, plant and equipment

Plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- computer hardware: 3–7 years
- office furniture and equipment: 3–7 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Low value assets are assessed based on useful life and fully written off on acquisition.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses. Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment of losses.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

## 2. Summary of significant accounting policies (continued)

### (b) Revenue recognition policy

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company;

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The Company recognises revenue from its key revenue streams as follows:

#### Grant revenue

Grant revenue is recognised over time, as the company satisfies its performance obligations as stated in the grant funding agreements.

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

#### Interest revenue

Interest revenue is recognised as interest accrues, under the effective interest rate method.

### (c) Grants

The Company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the Company to treat grant monies as deferred revenue in the Statement of Financial Position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the performance obligations have not been satisfied.

### (d) Project Funds

Included in cash and cash equivalents are project funds of \$2,491,290 in 2021 (2020: \$7,565,598) which are specifically for project funding and are not available for general use.

### (e) Financial instruments

Financial instruments are initially measured at fair value on trade date which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

#### Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss in the period in which they arise.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective rate of interest method.

#### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost using the effective rate of interest method, comprising original debt less principal payments and amortisation.

## **(f) Employee benefits**

### **Short-term employee benefits**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting year in which the employees render the related service, including wages, salaries and sick leave. The company classifies employees' annual leave entitlements as other short-term employee benefits as they are expected to be settled wholly within 12 months after the end of the annual reporting year in which the employees render the related service. Annual leave provision is based on accrued balances at the year end and on future salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. Accrued annual leave is recognised as a provision in the statement of financial position.

### **Retirement benefit obligations**

#### **Defined contribution superannuation benefits**

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting year. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

## **(g) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## **(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

## **(i) Impairment of assets**

At each reporting date, the Company reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the assets fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its future economic benefits. Value in use is the depreciated replacement cost of an asset.

## **(j) Foreign currency transactions and balances**

Foreign currency transactions during the period are converted to Australian dollars at the rates of exchange applicable at the date of the transaction. Amounts receivable and payable in foreign currencies at the reporting date are converted at the rates of exchange ruling at that date. It is the policy of the Company not to hedge their foreign currency transactions.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in the Statement of Profit or Loss and Other Comprehensive Income as they arise.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

## 2. Summary of significant accounting policies (continued)

### (k) Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

### (l) Significant management judgement in applying accounting policies

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained externally. The key areas of the financial statements that are subject to estimate and judgement are Outlined as follows:

#### Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

### (m) New and amended standards adopted by the Company

During the current period, the Company has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. These have not resulted in any material changes.

### (n) Accounting standards issued but not yet effected

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

	2021 \$	2020 \$
<b>3 Revenue and other income</b>		
<b>Revenue</b>		
Grants received from:		
State/federal government grants	5,180,000	3,680,000
Project Funding	–	5,000,000
State government contribution	642,500	510,424
Grants deferred	3,891,313	(3,743,139)
	9,713,813	5,447,285
Other revenue:		
Interest received	575	(171)
Sponsorship income	143,768	70,202
Other revenue	50,240	73,736
	194,584	143,767
Total revenue	9,908,397	5,591,052
<b>4 Auditor's remuneration</b>		
Auditor fees	18,031	15,500
<b>5 Profit for the year</b>		
The result for the year was derived after reducing the following expenses:		
<b>Expenses</b>	34,989	16,903
Employee benefits expense:		
– movement in provision for annual leave		
– contributions to defined contribution superannuation funds	200,733	142,033
Depreciation of property and equipment	15,464	10,976
Amortisation of right of use asset	31,724	54,879
Interest on lease liability	1,941	1,895



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
<b>6 Cash and cash equivalents</b>		
Cash at bank	7,832,048	11,565,691
	7,832,048	11,565,691
<b>7 Trade and other receivables</b>		
Trade debtors	134,264	205,000
	134,264	205,000
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
<b>8 Other assets</b>		
Deposits and bonds	–	13,126
GST receivable	25,470	102,029
Prepayments	145,211	68,206
FBT refundable	5,096	4,186
Payroll tax refundable	–	2,030
	175,777	189,577
<b>9 Right of use assets</b>		
Property at cost	86,109	73,172
Less: accumulated depreciation	(31,724)	(54,879)
Total right of use asset at end of year	54,384	18,293

	2021 \$	2020 \$
<b>10 Property, plant, equipment property and equipment</b>		
At cost	72,286	56,288
Accumulated depreciation	(38,220)	(22,756)
<b>Total property and equipment</b>	<b>34,066</b>	<b>33,532</b>

#### Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Computer equipment \$	Office furniture and equipment \$	Total \$
Balance at 1 July 2019	19,748	11,989	31,737
Additions	6,946	5,825	12,771
Depreciation expense	(7,429)	(3,547)	(10,976)
Balance at 30 June 2020	19,265	14,267	33,532
Additions	11,489	4,509	15,998
Depreciation expense	(10,774)	(4,690)	(15,464)
Carrying amount at 30 June 2021	19,980	14,086	34,066

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
<b>11. Reconciliation of cash flow from operations with profit from ordinary activities after income tax</b>		
Net (deficit)/surplus from ordinary activities	–	–
Non-cash flows in (deficit)/surplus for the year		
Depreciation and amortisation expenses	58,931	65,855
Finance costs from lease liability	1,856	–
Changes in assets and liabilities during the year		
(Increase)/Decrease in trade and other receivables	58,880	(195,267)
(Increase)/Decrease in other current assets	13,799	(2,007)
Increase/(Decrease) in trade & other payables	77,346	(101,634)
Increase/(Decrease) in employee benefit liabilities	3,162	16,903
Increase/(Decrease) in other unearned income	(3,891,313)	3,743,139
Net cash provided by operating activities	(3,677,339)	3,526,990
<b>12 Trade and other payables</b>		
<b>Current</b>	662	5,768
Credit card	442,415	243,499
Trade creditors	35,516	146,725
Accrued expenses	68,356	62,894
PAYG withholding payable	47,342	6,142
Superannuation payable	6,187	58,105
Wages & superannuation accrual	600,479	523,132

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days.

The carrying value of trade and other payables is considered to be a reasonable approximation of fair value due to the short term nature of the balances.

	2021 \$	2020 \$
<b>13 Lease liabilities current</b>		
Lease liabilities	55,317	16,064
Total lease liabilities	55,317	16,064
<b>14 Provisions</b>		
Make good provision	–	10,000
	–	10,000
<b>15 Contingent liabilities</b>		
The company had no contingent liabilities as at 30 June 2021 and 30 June 2020.		
<b>16 Events after the reporting period</b>		
The directors are not aware of any significant events since the end of the reporting year.		
<b>17 Key management personnel</b>		
Short-term employee benefits	881,865	528,337
Total compensation	881,865	528,337



## 18 Related party transactions

Transactions with related parties

- There were no transactions with related parties during the current and previous financial year.
- There were no trade receivables from or trade payables to related parties at the current and previous reporting date.
- There were no loans to or from related parties at the current and previous reporting date.

## 19 Economic dependence

Australian Cyber Security Growth Network Limited is dependent on the Department of Industry, Science, Energy and Resources for the majority of its revenue used to operate the business, which requires continuing compliance with the grant funding agreement. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support Australian Cyber Security Growth Network Limited.

## DIRECTORS' DECLARATION

The directors of the company declare that:

- The financial statements and notes, as set out on pages 9 to 24, for the year ended 30 June 2021 are in accordance with the *Corporations Act 2001* and:
- comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
- give a true and fair view of the financial position of the company as at 30 June 2021 and of its performance for the year ended on that date.
- In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Director: Mr Douglas Thorne Elix AO**

Dated this Thirteenth day of October 2021

# APPENDIX **C**

## AustCyber's subcontractors



Supplier/Contractor	Purpose/description of services
3PF	Accounting and book keeping services
11eight	Consultancy and research services
AlphaBeta / Accenture	Consultancy and research services
Ambius Agreement	ACT office amenities
Atlassian	Software services
AUCloud	Secure cloud services
BDO	External auditing services
Brittany Fong	Specialist software services
Corporate Traveller	Corporate travel manager
Cosgrave Soutter	Accounting and book keeping services
Detexian	SaaS security management services
DLA Piper	Legal services
Forticode	Digital authentication services
ForwardIT	ICT managed services
Google	Software productivity and collaboration tools

Supplier/Contractor	Purpose/description of services
Ionize	Cyber security assessment services
Impress Design	Graphic design and web hosting services
Insurance Australia Group (IAG)	Digital ecosystem platform development services
Kasada	Website and online presence security
LastPass	Password management services
Mailguard	Email security services
Meltwater	Media monitoring platform
Microsoft Office Business	Software productivity and collaboration tools
Myer Vandenberg Lawyers	Legal services
New Generation Cleaning	ACT office cleaning
Peakhour.io	Secure content delivery network (CDN) services
Private Internet Access	Subscription virtual private network (VPN) services
Robert Holtsbaum Commercial Lawyer	Legal services
Slack	Software productivity and collaboration tools
Synergy Group	Consultancy and research services
TPG	Internet connection services
Triskele Labs	Cyber security assessment services
Vault Cloud	Secure cloud services
Xero	Accounting Tool
Zoom Conferencing	Video and webinar conferencing



# APPENDIX D

## Public speaking engagements

*Does not include AustCyber hosted events*

Occasion	Location and date
The Age of Trust – Verizon podcast episode	Digital recording, 16 July 2020
Digital Trust Report 2020 – National Security College podcast episode	Digital recording, 20 July 2020
Cyber security and national policy – University of Adelaide virtual lecture	Digital recording, 27 July 2020
National Security Fundamentals – National Security College lecture	Canberra, 29 July 2020
Cyber security conference – FST media	Virtual presentation, 3 August 2020
Cyber security regulations – ASPI webinar	Virtual presentation, 18 August 2020
Team Sec Con – Atlassian webinar	Virtual presentation, 19 August 2020
Understanding Risk – National Security College lecture	Canberra, 27 August 2020
Who is watching? Cybersecurity and Australian Universities – CAUDIT / AHECS webinar	Virtual presentation, 4 September 2020
Cyber security careers – WitWA+ annual conference	Virtual presentation, 6 October 2020
What does Australia's Cyber Security Agenda mean for you? – AIIA webinar	Virtual presentation, 7 October 2020
What Happens Next? – KPMG podcast episode	Digital recording, 14 October 2020
Women in Security annual awards – AWSN	Virtual presentation, 13 October 2020
Change Matters – EY podcast episode	Digital recording, 19 October 2020
Cyber security and professional services – Australian British Chamber of Commerce and BDO event	Sydney, 19 October 2020
Australian Institute of Professional Intelligence Officers annual conference	Virtual presentation, 21 October 2020

Occasion	Location and date
auDA annual board and members briefing	Virtual presentation, 21 October 2020
2020 Cyber Security Forum – Medical Technology Association of Australia	Virtual presentation, 22 October 2020
Cyber security as an investment opportunity – Australian Investment Council annual conference	Virtual presentation, 27 October 2020
Cyber security pitch judging – Startup VIC	Virtual presentation, 27 October 2020
Cyber security update – the Secure CIO podcast episode	Digital recording, 9 November 2020
Digital identity and secure authentication – Daltrey industry roundtable keynote	Virtual presentation, 10 November 2020
Framing public interest and trust – CEDA webinar	Virtual presentation, 30 November 2020
A national interest strategy – National Press Club address with Prof Rory Medcalf	Canberra, 9 December 2020
Cyber security and digital trust – World Economic Forum's cyber security annual summit	Virtual presentation, 8 December 2020
Davos Agenda: Averting A Cyber Pandemic – World Economic Forum's annual conference	Virtual presentation, 28 January 2021
Several panels, Australian Davos Connection annual conference	Brisbane, 19–20 March 2021
Cyber security and emerging tech panel – Australian Technology Network of Universities annual conference	Virtual presentation, 21 April 2021
Deep tech's role in Australia's future – Southstart festival panel	Adelaide, 5 May 2021
Secure by Design, a fireside chat with Michelle Price – Southstart festival event	Adelaide, 5 May 2021
Startup success ingredients, a lunchtime chat with Michelle Price – Startup VIC	Virtual presentation, 14 May 2021
Cyber Security Seminar – Australian British Chamber of Commerce	Sydney, 26 May 2021
Cyber security and trust – CEDA State of the Nation annual summit	Canberra, 24 June 2021
Keynote address – Cyber West Summit (Perth)	Virtual presentation, 24 June 2021

# APPENDIX **E**

## **BDO Annual Completion Report**



# AUSTRALIAN CYBER SECURITY GROWTH NETWORK LIMITED

Annual Audit Completion Report

YEAR ENDED 30 JUNE 2021

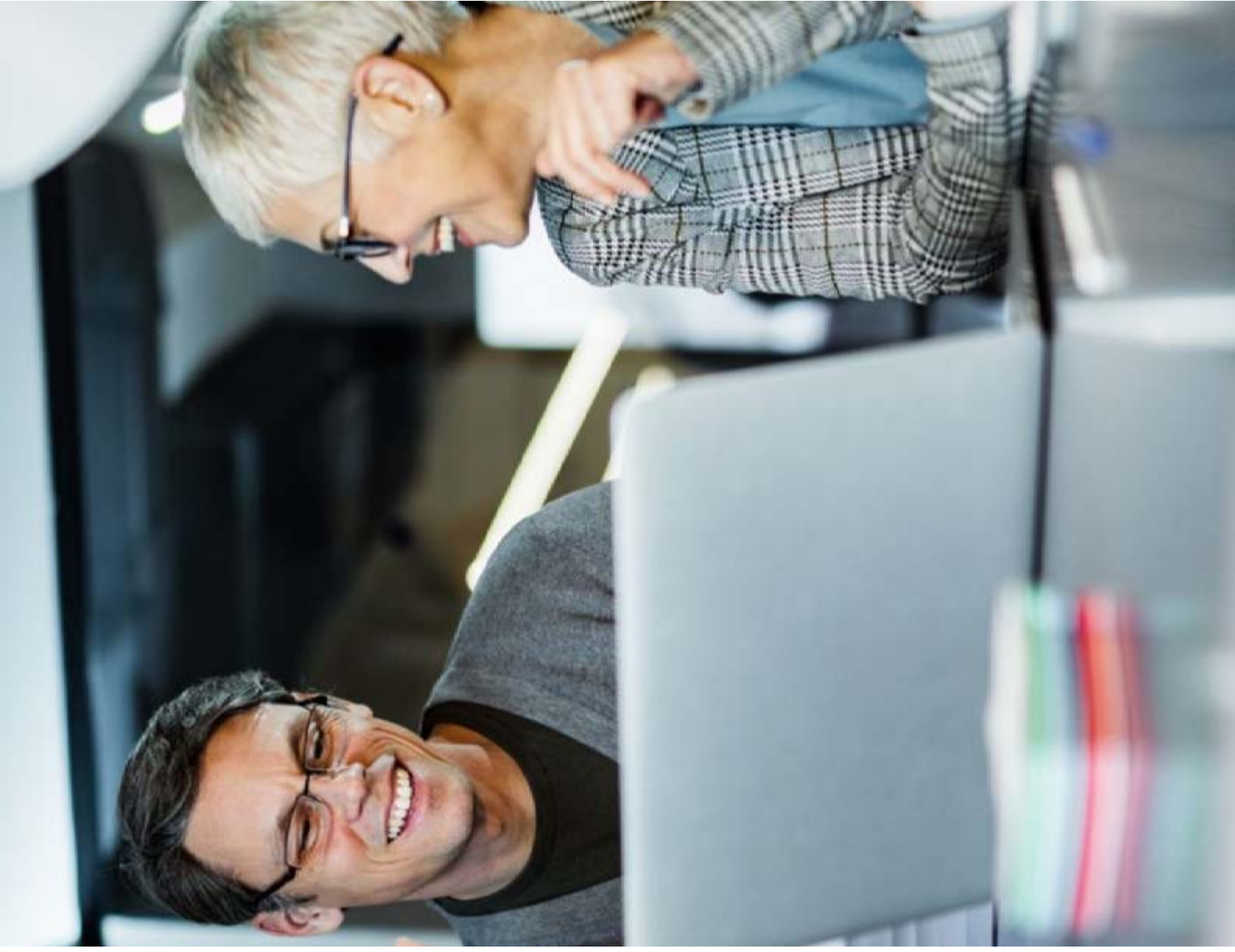
**BDO**



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Dear Directors

We are pleased to present this report to the Directors of Australian Cyber Security Growth Network Limited in relation to the 30 June 2021 annual audits.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 2 8274 6537.

We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully

**Tim Aman**  
Engagement Partner



# EXECUTIVE SUMMARY

## PURPOSE

The purpose of this report is to communicate significant matters arising from our audit to the Directors. This report has been discussed with management.

## SCOPE

Our audit was conducted in accordance with Australian Auditing Standards and the *Australian Charities and Not-for-profits Commission Act 2021* for the year ended 30 June 2021.

## STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Completion of subsequent event procedures to the date of signing;
- ▶ Receipt of signed management representation letter; and
- ▶ Receipt of signed directors' report and financial statement.

A draft of the proposed audit report is included at [Appendix 1](#).

## SUMMARY OF MISSTATEMENTS

We have identified misstatements during our audit. The list of corrected and uncorrected misstatements is included in the respective [section](#) of this report.

## AREAS OF AUDIT FOCUS

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant risks of material misstatement. These areas of focus are outlined below:

- ▶ Revenue recognition; and
- ▶ Management override.

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.





## AREAS OF AUDIT FOCUS

We identified the risk areas as part of our risk assessment procedures undertaken during the planning phase and continued to be alert for risks during the course of the audit. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

Revenue Recognition		
Description	Audit work performed	Summary of findings
<p>In accordance with ASA 240, there is a presumed fraud risk with respect to incorrect revenue recognition.</p>	<ul style="list-style-type: none"><li>Reviewed revenue recognition policies for all material sources of revenue and assessed appropriateness in line with the AASB 15 <i>Revenue from Contracts with Customers</i> and AASB 1058 <i>Income of Not-for-Profit Entities</i>;</li><li>Obtained copies of and reviewed all material government funding agreements and review managements accounting treatment in respect to AASB 1058 &amp; AASB 15;</li><li>Performed detail testing of all material revenue streams throughout the reporting period;</li><li>Tested government income recorded during the year. Ensured revenue was recognised in line with conditions per the signed agreement and in accordance with the Accounting Standards; and</li><li>For Performed test of controls and substantively tested the existence, appropriateness and approval of expenses by selecting a sample of transactions and agreed these to supporting documents.</li></ul>	<p>We note that Australian Cyber Security Growth Network recognises revenue in accordance with AASB 15 <i>Revenue from Contracts with Customers</i> where revenue is recognised upon satisfaction of performance obligations.</p> <p>Based on our procedures performed, we are satisfied that the accounting policies applied by Australian Cyber Security Growth Network have considered the both AASB 15 and AASB 1058. We have satisfied that revenue is free from material misstatement.</p>





## AREAS OF AUDIT FOCUS CONTINUED

Management Override		
Description	Audit work performed	Summary of findings
<p>Management override of controls is a compulsory fraud risk under Australian Auditing Standards</p> <p>There is a risk that in the financial reporting close process, management could use their position to override controls and the financial statements may be materially misstated.</p>	<ul style="list-style-type: none"><li>• Performed general journal testing and ensured the appropriateness and accuracy of manual journal entries;</li><li>• Reviewed accounting estimates for biases that could result in material misstatement due to fraud; and</li><li>• Obtained an understanding of and considered any significant transactions that are outside of the normal course of business or are otherwise unusual by the entity.</li></ul>	<p>Based on our procedures performed, nothing has come to our attention that would indicate instances of management override of the control environment for the year ended 30 June 2021.</p>



## SUMMARY OF MISSTATEMENTS

### MISSTATEMENTS

Misstatements have not been included if they are considered to be clearly trivial. Matters which are clearly trivial are regarded as clearly inconsequential when taken individually or in aggregate.

We have not identified any misstatements during course of the audit.



# INTERNAL CONTROL

In accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during the audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as follows:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of the management.

Our audit procedures did not identify any significant deficiencies that in our professional judgment are of sufficient importance to merit the attention of the management or those charged with governance.



# OTHER REPORTING REQUIREMENTS

## INDEPENDENCE AND ETHICS

In conducting our audit, we are required to comply with the independence requirements of Part 4A of APES 110 *Code of Ethics for Professional Accountants* (including *Independence Standards*).

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

In addition to the audit, we have completed the following engagements during the year:

- ▶ Compilation of financial statements
- ▶ Agreed upon procedures

None of these engagements have impaired our independence.

BDO has not provided any other services during the audit to Australian Cyber Security Growth Network Limited.

The *Corporations Act 2001* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a draft of which has been included at [Appendix 2](#).

## NON-COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

## FRAUD

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.





## APPENDIX 1 PROPOSED AUDIT REPORT

### INDEPENDENT AUDITOR'S REPORT

To the members of Australian Cyber Security Growth Network Ltd

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Australian Cyber Security Growth Network Ltd (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Australian Cyber Security Growth Network Ltd, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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## APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

Tim Aman

Director

Sydney, 5 October 2021

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# APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

*BDO Audit Pty Ltd is likewise the auditor of Stone and Chalk Limited (S&C), the sole member of Australian Cyber Security Growth Network Limited, and present below the draft auditor's report for S&C below containing an unqualified opinion.*

## INDEPENDENT AUDITOR'S REPORT

To the members of Stone and Chalk Limited

### Report on the Audit of the Financial Report Opinion

We have audited the financial report of Stone and Chalk Limited (the registered entity), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Stone and Chalk Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter - Basis of accounting

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## APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Responsibilities of responsible entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

### **BDO Audit Pty Ltd**

Tim Aman  
Director  
Sydney, 5 October 2021



## APPENDIX 2 AUDITOR INDEPENDENCE DECLARATION

### **Positive declaration - Australian Cyber Security Growth Network Limited**

We set out below our draft Auditor independence declaration.

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF AUSTRALIAN CYBER SECURITY GROWTH NETWORK LIMITED

As lead auditor of Australian Cyber Security Growth Network Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

**BDO Audit Pty Ltd, the auditor of S&A, the sole member of Australian Cyber Security Growth Network Limited, present below the draft independence declaration.**

### **Positive declaration - Stone & Chalk Limited**

We set out below our draft Auditor independence declaration.

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF STONE & CHALK LIMITED

As lead auditor of Australian Cyber Security Growth Network Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



## APPENDIX 3 INDUSTRY INSIGHTS AND FINANCIAL ANALYSIS

As BDO's Global Leader of Fintech, Tim actively contributes to thought leadership in the Fintech sector. We monitor changes across the regulatory, legislative and commercial environment, and communicate the implications to our clients and networks.

### PUBLICATIONS



### CONSUMER DATA RIGHT (CDR) SCHEME

On 26 November 2017, the Australian Government announced the introduction of a consumer data right (CDR) in Australia. The CDR will give consumers greater access to and control over their data. It will improve consumers' ability to compare and switch between products and services, and will encourage competition between service providers, leading not only to better prices for customers but also more innovative products and services.

The Australian National Open Banking Scheme opens the door to new opportunities for alternative banking institutions and Fintech's. However, to effectively capitalise on these changes, businesses will need to obtain the appropriate accreditation and ensure they have the right data management practices in place in line with the Consumer Data Right (CDR) Scheme.

BDO have prepared the following article in relation to becoming CDR ready. Follow this [link](#) for further details.

For more information on CDR and updated publications by the [ACCC Australian Competition and Consumer Commission](#) (ACCC), [Office of the Australian Information Commissioner](#) and [Data Standards Body](#) please follow the relevant links.

### FINTECH FRIDAYS

Tim has also been hosting Fintech Fridays, which we would love for AustCyber and Stone & Chalk to be a part of.

Please follow this [link](#) for further details.

## APPENDIX 4 ESG AND YOUR BUSINESS

### WHAT IS ESG?

ESG is the acronym for Environmental, Social and Governance. It is a holistic concept about an organisation's ability to create and sustain long-term value in a rapidly changing world, and managing the risks and opportunities associated with these changes.

ESG metrics are not part of mandatory [financial reporting](#) required by Australian Accounting Standards or International Financial Reporting Standards, but organisations across the world are increasingly making disclosures in their annual report or in a standalone sustainability report.

ESG is used as a framework to assess how an organisation manages risks and opportunities that changing market and non-market conditions create. ESG also puts a heavy emphasis on risk management, because monitoring and mitigating risks across all three dimensions is an important priority for any company that is serious about ESG. The three categories of ESG factors are as follow: -

- ▶ **Environmental** factors address an organisation's environmental impact and environmental stewardship. It is focused on improving the environmental performance of an organisation.
- ▶ **Social** factors refers to how an organisation manages relationships with, and creates value for, stakeholders. The social dimension is focused on an organisation's impact on its employees, customers and the community.
- ▶ **Governance** factors refers to an organisation's leadership and management philosophy, practices, policies, internal controls, and shareholder rights. The governance dimension is focused on an organisation's leadership and structure.

### WHY IS ESG IMPORTANT FOR YOUR BUSINESS?

Investors across the globe are increasingly demanding organisations to outline their ESG framework and approach in order to assess the organisation's long-term sustainability. ESG has a potential significant impact on the following fundamental business issues relevant to the long-term success of the organisation:

- ▶ **Corporate reputation** - ESG can enhance a company's license to operate making it easier to accomplish business objectives and respond to crisis scenarios with key stakeholder groups.
- ▶ **Risk reduction** - ESG can assist with the identification of immediate and long-term risks depending on the industry and business model.
- ▶ **Opportunity management** - Shifting market and non-market conditions can expose unmet needs for new products and/or services, potential customer bases, and potential strategic relationships for addressing ESG issues.
- ▶ **Culture & intrinsic value** - ESG maturity is an indicator of a company's commitment to building a high performing, purpose-driven workforce and inclusive culture.

A robust ESG strategy can help attract the right talent and investors. To achieve a shift in sustainability we need to stop viewing ESG as a 'nice to have', it should be part of business strategy and risk management which can have a direct and positive impact on financial performance.

If you would like to speak with us about implementing an ESG framework in your organisation or providing assurance on your framework, please contact your audit engagement partner initially.

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WESTERN AUSTRALIA

We have prepared this report solely for the use of Australian Cyber Security Growth Network Limited. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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