



Financial Statements and Notes

Certification of Financial Statements

For the year ended 30 June 2023

The accompanying financial statements of the Minerals Research Institute of Western Australia (MRIWA or the Institute) have been prepared in compliance with the provisions of the *Financial Management Act 2006* (WA) from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Miriam Stanborough
Chairperson of the Board

Date: 14 August 2023



Linda Tompkins
Deputy Chairperson of the Board

Date: 14 August 2023



Nicole Roocke
Chief Financial Officer

Date: 14 August 2023



Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Minerals Research Institute of Western Australia

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Minerals Research Institute of Western Australia (Institute) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Minerals Research Institute of Western Australia for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions

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- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Institute.

Auditor's responsibility for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objective of my audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.aasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Minerals Research Institute of Western Australia. The controls exercised by the Board are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Minerals Research Institute of Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and in the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

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Financial Statements and Notes

The Board's responsibility

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investments of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagement ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls designed to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objective.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in controls.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Minerals Research Institute of Western Australia for the year ended 30 June 2023. The key performance indicators are the Under Treasurer approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Minerals Research Institute of Western Australia are relevant and appropriate to assist users to assess the Institute's performance and fairly represent indicated performance for the year ended 30 June 2023.

The Board's responsibilities for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 904 *Key Performance Indicators*.

Auditor General's responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including



documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

Those charged with governance are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

The auditor's report relates to the financial statements and key performance indicators of the Minerals Research Institute of Western Australia for the year ended 30 June 2023 included in the annual report on the Institute's website. The Institute's management is responsible for the integrity of the Institute's website. This audit does not provide assurance on the integrity of the Institute's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Nayna Raniga
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 August 2023



Statement of Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
COST OF SERVICES			
Expenses			
Research grants		5,291,879	5,313,511
Scholarships		299,655	253,013
Employee benefits expense	2.1.1	1,259,564	851,099
Board and committee fees and costs	2.2	112,201	115,269
Supplies and services	2.3	529,435	347,274
Other expenses	2.3	93,589	65,680
Accommodation expenses		109,894	54,000
Total cost of services		7,696,217	6,999,846
Income			
Revenue & Income			
Interest revenue		477,856	78,300
Other revenue	3.3	266,308	120,206
Income from Industry Sponsorship	3.2	1,751,225	2,290,297
Total Revenue & Income		2,495,389	2,488,803
Total income other than income from State Government		2,495,389	2,488,803
NET COST OF SERVICES		5,200,828	4,511,043

	Notes	2023 \$	2022 \$
Income from State Government			
State Government Grant	3.1	6,915,000	6,980,000
Resources received free of charge	3.1	110,034	54,000
Total income from State Government		7,025,034	7,034,000
SURPLUS FOR THE PERIOD		1,824,206	2,522,957
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,824,206	2,522,957

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Statement of Financial Position

As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5.1.1	7,225,344	4,500,162
Restricted cash and cash equivalents	5.1.2	8,835,922	10,753,921
Receivables	4.1	489,901	570,474
Other current assets	4.2	179,752	57,447
Total Current Assets		16,730,919	15,882,004
Non-Current Assets			
Total Non-Current assets		-	-
TOTAL ASSETS		16,730,919	15,882,004

	Notes	2023 \$	2022 \$
LIABILITIES			
Current Liabilities			
Payables	4.3	77,445	48,955
Employee benefit provisions - Current	2.1.2	81,243	79,527
Deferred income	4.4	2,275,266	3,269,073
Total Current Liabilities		2,433,954	3,397,555
Non-Current Liabilities			
Employee benefit provisions - Non-Current	2.1.2	89,183	100,873
Total Non-Current Liabilities		89,183	100,873
TOTAL LIABILITIES		2,523,137	3,498,428
NET ASSETS		14,207,782	12,383,576
EQUITY			
Accumulated surplus	7.8	14,207,782	12,383,576
TOTAL EQUITY		14,207,782	12,383,576

The Statement of Financial Position should be read in conjunction with the accompanying notes.



Statement of Changes in Equity

For the year ended 30 June 2023

	Notes	Accumulated Surplus \$
Balance at 1 July 2021		9,860,619
Surplus for the period	7.8	2,522,957
Balance at 30 June 2022		12,383,576
Balance at 1 July 2022		12,383,576
Surplus for the period	7.8	1,824,206
Balance at 30 June 2023		14,207,782

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
CASH FLOWS FROM STATE GOVERNMENT			
State Government Grant		6,915,000	6,980,000
Net cash provided by State Government		6,915,000	6,980,000
Utilised as follows:			
Payments			
Research Grant Payments and Scholarship		(5,591,534)	(6,131,674)
Employee benefits		(1,263,045)	(812,393)
Board and Advisory committee fees		(49,468)	(55,543)
Supplies, Services and Other Expenses		(622,422)	(404,575)
GST paid on purchases		(596,872)	(570,453)
Receipts			
Receipts from Sponsors		720,109	1,514,842
Receipts from Events		236,075	60,480
Interest received		377,086	53,143
GST received on sales		112,265	113,569
Net GST refunded from ATO (or paid)		569,989	355,659
Net cash used in operating activities		(6,107,817)	(5,876,945)
Net increase in cash and cash equivalents		807,183	1,103,055
Cash and cash equivalents at the beginning of the period		15,254,083	14,151,028
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.1.1	16,061,266	15,254,083

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



Notes to the Financial Statements

For the year ended 30 June 2023

Note 1. Basis of preparation

The Institute is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent company. The Institute is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' and 'Our Projects' sections of the Institute's Annual Report which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Institute on 14 August 2023.

Statement of compliance

These general-purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006* (WA) (**FMA**)
- 2) The Treasurer's Instructions (**TIs**)
- 3) Australian Accounting Standards (**AASs**) - Reduced Disclosure Requirements
- 4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* (WA) and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

The financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note.

Judgements and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Accounting for GST

Income, expenses, and assets are recognised net of the amount of goods and services tax (GST), except that the:

- a) amount of GST incurred by the Institute as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparative Information

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified unless the reclassification is impracticable. Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations.
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.



Financial Statements and Notes

Note 2. Use of our funding

Expenses incurred in the delivery of services

This section provides the additional information about how the Institute's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Institute in achieving its objectives and the relevant notes are:

	Notes	2023 \$	2022 \$
Research grants		5,291,879	5,313,511
Scholarships		299,655	253,013
Employee benefits expenses	2.1.1	1,259,564	851,099
Employee benefits provisions	2.1.2	170,426	180,400
Board and committee fees and costs	2.2	112,201	115,269
Other expenditure	2.3	623,024	412,954
Accommodation expenses		109,894	54,000

Research grants expense is recognised when the Institute becomes obliged to make payment to the grantee. The Institute becomes obliged to make payment when the grantee has met the conditions of the grant agreement.

Scholarship expense represents the Institute's obligation to fund approved scholarships.

Accommodation expense represents the Institute's rental expense.

2.1.1 Employee benefits expenses

	2023 \$	2022 \$
Wages and salaries	902,581	549,291 ^(b)
Executive Salaries	227,770	221,774 ^(b)
Superannuation - defined contribution plans ^(a)	129,213	80,034
	1,259,564	851,099

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

(b) Comparative figures have been reclassified to remove allowances from executive salaries.

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries and leave entitlements.

Executive Salaries: Executive salaries include the base salary of the institute's CEO.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS Scheme, the GESBs or other superannuation funds.



2.1.2 Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2023 \$	2022 \$
Current		
Annual leave ^(a)	81,243	79,527
Long service leave ^(b)	-	-
	81,243	79,527
Non-Current		
Long service leave ^(c)	89,183	100,873
	89,183	100,873
	170,426	180,400

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the Institute does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(c) Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Institute has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Institute does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Institute's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.



Financial Statements and Notes

2.2 Board and committee fees and costs

	2023 \$	2022 \$
Board of Directors' remuneration	80,024	81,925
Advisory Committee attendance fees	27,429	28,288
Board and Advisory Committee's expenses	4,748	5,056
	112,201	115,269

2.3 Other expenditure

	2023 \$	2022 \$
Supplies and services		
Printing and stationery	8,438	7,609
Advertising	1,655	709
Communications	23,908	9,965
Business travel	24,327	3,714
Accounting services	119,859	83,227
Consultants	77,185	69,656
Legal services	25,862	14,706
Insurance	15,195	15,703
Sponsorships	-	20,000
Events	164,484	85,154
Subscriptions	34,294	17,615
Other	34,228	19,216
Total supplies and services	529,435	347,274
Other expenses		
Audit fees	36,300	27,800
Loss allowance	-	-
Employee expenses	39,522	31,627
Worker's Compensation	4,768	4,821
Office fit out	12,999	1,432
	93,589	65,680
Total other expenditure	623,024	412,954



2.3 Other expenditure (continued)

Supplies and services: Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Other expenses: Other expenditures generally represent the day-to-day running costs incurred in normal operations.

Employee expenses: Includes workers' compensation insurance. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 3. Our funding sources

How we obtain our funding

This section provides additional information about how the Institute obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Institute and the relevant notes are:

	Notes	2023 \$	2022 \$
Income from State Government	3.1	7,025,034	7,034,000

3.1 Income from State Government

	2023 \$	2022 \$
State Government Grants	6,915,000	6,980,000
	6,915,000	6,980,000

Services received free of charge from other State Government agencies during the period:

	2023 \$	2022 \$
Department of Mines, Industry Regulation and Safety	109,894	54,000
State Solicitors Office	140	-
	110,034	54,000
	7,025,034	7,034,000

State Government Grant: Revenue is recognised at fair value when MRIWA obtains control over the assets comprising the contributions, usually when cash is received.



3.1 Income from State Government (continued)

Resources received free of charge or for nominal cost: Resources received free of charge or for nominal cost that MRIWA would otherwise purchase if not donated, are recognised as income at fair value where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Resources received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

3.2 Income from Industry Sponsorship

	2023	2022
	\$	\$
Sponsorship income	1,751,225	2,290,297

Income from Industry Sponsorship: MRIWA provides a service to sponsors by administering sponsorship funds for research projects and conferences. These services are completed under a contractual arrangement. Income from sponsors is recognised at the point in time MRIWA has completed this service

3.3 Other Revenue

	2023	2022
	\$	\$
Misc. Revenue	62,733	59,726
Conference Sponsorship	102,550	-
Event Ticket Sales	101,025	60,480
	266,308	120,206

Misc. Revenue: Includes sitting fees donated by Board and advisory committee members.



Note 4. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Institute's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2023 \$	2022 \$
Receivables	4.1	489,901	570,474
Other current assets	4.2	179,752	57,447
Payables	4.3	77,445	48,955
Deferred income	4.4	2,275,266	3,269,073

4.1 Receivables

	2023 \$	2022 \$
<u>Current</u>		
Grant Receivables - Sponsorship	176,000	181,519
Less: Loss Allowance	-	-
	176,000	181,519
GST receivable	313,901	388,955
	489,901	570,474

Trade receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. expected credit loss). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. In the current year no expected credit loss was recognised. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

4.2 Other current assets

	2023 \$	2022 \$
Interest Receivable	138,411	37,641
Prepayments	41,341	19,806
	179,752	57,447

Revenue is recognised as the interest accrues.

4.3 Payables

	2023 \$	2022 \$
<u>Current</u>		
Accrued general expenses	57,123	35,126
Accrued salaries	20,322	13,829
	77,445	48,955

All Payables are recognised when MRIWA becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end.

General expenses represent the amounts due to researchers and suppliers but unpaid at the end of the financial year. These payments are settled within 30 days of the financial year end. MRIWA considers the carrying amount of accrued expenses to be equivalent to its fair value.



4.4 Deferred Income

	2023 \$	2022 \$
Deferred Income - Sponsorship	2,275,266	3,269,073
	2,275,266	3,269,073

Deferred Income is recognised when the sponsorship funds are received or receivable and the Institute has not fulfilled its obligations under the terms of the sponsorship agreement. Refer to Note 3.2.

Note 5. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Institute.

	Notes	2023 \$	2022 \$
Cash and cash equivalents	5.1.1	7,225,344	4,500,162
Restricted cash and cash equivalents	5.1.2	8,835,922	10,753,921
Commitments	5.2	10,979,346	13,567,957

5.1 Cash and cash equivalents

5.1.1 Reconciliation of cash

	2023 \$	2022 \$
Cash and cash equivalents	7,225,344	4,500,162
Restricted cash and cash equivalents - current	8,835,922	10,753,921
	16,061,266	15,254,083

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.



5.1.2 Restricted cash and cash equivalents

	2023 \$	2022 \$
Research grants	8,383,360	10,400,635
Scholarships	452,562	353,286
	8,835,922	10,753,921

Cash held in the account is to be used only for the purpose of providing grants for research and development of projects to grantees.

5.2 Commitments

	2023 \$	2022 \$
Other expenditure commitments		
Within 1 year	7,192,483	7,251,785
Later than 1 year and not later than 5 years	3,302,363	5,831,672
Later than 5 years	484,500	484,500
	10,979,346	13,567,957

The total presented for other expenditure commitments are GST exclusive.

The total commitments reported above represent only projects with completed contractual liabilities in place. MRIWA has committed additional monies to research projects during this period. The contracts for these projects are still to be finalised. These monies have not been included in the amounts reflected above.



Note 6. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Institute.

	Notes
Financial Instruments	6.1
Contingent Liabilities and Assets	6.2

6.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2023 \$	2022 \$
Financial assets		
Cash and cash equivalents	7,225,344	4,500,162
Restricted cash and cash equivalents	8,835,922	10,753,921
Receivables ^(a)	176,000	181,519
Other current assets	179,752	57,447
Total financial assets	16,417,018	15,493,049
Financial liabilities		
Liabilities measured at amortised cost	57,123	35,126
Total financial liability	57,123	35,126

(a) The amount of receivables/financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

6.2 Contingent assets and liabilities

MRIWA has no contingent liabilities or contingent assets.



Note 7. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	7.1
Changes in Accounting Policy	7.2
Key management personnel	7.3
Related party transactions	7.4
Related bodies	7.5
Affiliated bodies	7.6
Remuneration of auditors	7.7
Equity	7.8
Supplementary financial information	7.9
Explanatory statement	7.10

7.1 Events occurring after the end of the reporting period

MRIWA has had no events occurring after the end of the reporting period.

7.2 Changes in Accounting Policy

There have been no changes to accounting policies during the financial year.

After assessing all new or amended standards issued but not yet effective, the Institute has determined that none of those issued standards impact future reported results.

7.3 Key management personnel

The Institute has determined key management personnel including the responsible Minister, board members, and senior officers of the Authority.

The Institute does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits, and other benefits for key management personnel of the Institute for the reporting period are presented within the following bands:

	2023	2022
Compensation band (\$)		
0 – 50,000	8	8
250,001 – 300,000	1	1

	2023	2022
	\$	\$
Total compensation of senior officers	383,964	373,842

Total compensation includes the superannuation expense incurred by the Institute in respect of key management personnel.



7.4 Related party transactions

The Institute is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Institute is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the Institute include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- the Government Employees Superannuation Board (GESB);
- other departments and public sector entities, including related bodies included in the whole of government, consolidated financial statements; and
- associates and joint ventures that are included in the whole of government consolidated financial statements.

Significant transactions with related parties throughout the year ended 30 June 2023 include:

- Department of Mines, Industry Regulation and Safety
 - Appropriations (refer note 3.1)
 - Accommodation received free of charge (included in Accommodation Expense and Resources Received Free of Charge (refer note 3.1)
 - Funds received as sponsor contribution to research projects (included within Sponsorship income) (\$97,167)
- Department of Treasury
 - Funds received quarterly in relation to interest income (\$377,086)
- Department of Finance
 - Western Australian Payroll tax liability for the FY22/23 year (\$20,142)

- Department of Jobs, Tourism, Science, and Innovation
 - Funds received under a Memorandum of Understanding for allocation to the Future Battery Industries Cooperative Research Centre (FBI CRC) (\$25,000)
 - Funds received under a Memorandum of Understanding for allocation to the Heavy Industry Low-carbon Transition Cooperative Research Centre (HILT CRC) (\$175,000).
- Office of the Auditor General
 - Audit fees in relation to the FY21/22 audit (\$36,300)
- State Solicitor's Office
 - Provided legal services to MRIWA throughout the year (\$7,534)
- ChemCentre
 - Research grants provided (included within Research Project Expenses) (\$25,685)
- Government Employees Superannuation Board (GESB)
 - Superannuation payments to GESB on behalf of the employees of MRIWA. (\$26,051)

7.5 Related bodies

The Institute has no related bodies.

7.6 Affiliated bodies

The Institute has no affiliated bodies.



7.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2023 \$	2022 \$
Auditing the accounts, financial statements and key performance indicators	40,750	36,300 ¹

¹Remuneration paid during 2022 has been restated to the actual remuneration paid.

7.8 Equity

The Western Australian Government holds the equity interest in MRIWA on behalf of the community. Equity represents the residual interest in the net assets of MRIWA.

	2023 \$	2022 \$
Accumulated surplus		
Balance at start of period	12,383,576	9,860,619
Result for the period	1,824,206	2,522,957
Balance at end of period	14,207,782	12,383,576
Total Equity at end of period	14,207,782	12,383,576

7.9 Supplementary financial information

(a) Write-offs

	2023 \$	2022 \$
Public property written-off by the Authority during the period	-	-
	-	-

(b) There were no losses through theft, defaults and other causes.

(c) No gifts of public property were provided by the Institute



7.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key variations selected from observed major variances which are greater than 10% and 1% of Total Cost of Services for either the lower of the budget or prior period actual for the Statements of Comprehensive Income and Statement of Cash Flows, and are greater than 10% and 1% of Total Assets for either the lower of the budget or prior period actual for the Statement of Financial Position.

Statement of Comprehensive Income

	Variance note	Original budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between estimate and actual \$	Variance between actual results for 2023 and 2022 \$
COST OF SERVICES						
Expenses						
Research grants		5,265,814	5,291,879	5,313,511	26,065	(21,632)
Scholarships	1	373,063	299,655	253,013	(73,408)	46,642
Employee benefits expense	A	1,294,766	1,259,564	851,099	(35,202)	408,465
Institute Contractor fees		52,000	-	-	(52,000)	-
Board and committee fees and costs		148,633	112,201	115,269	(36,432)	(3,068)
Supplies and services	2, B	1,034,897	529,435	347,274	(505,462)	182,161
Other expenses		107,077	93,589	65,680	(13,488)	27,909
Accommodation expense		59,250	109,894	54,000	50,644	55,894
Total cost of services		8,335,500	7,696,217	6,999,846	(639,283)	696,371



7.10 Explanatory statement (continued)

Statement of Comprehensive Income (continued)

	Variance note	Original budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between estimate and actual \$	Variance between actual results for 2023 and 2022 \$
Income						
Revenue						
Interest revenue	3, C	66,972	477,856	78,300	410,884	399,556
Other revenue	4,D	549,264	266,308	120,206	(282,956)	146,102
Income from Industry Sponsorship	5, E	2,380,253	1,751,225	2,290,297	(629,028)	(539,072)
Total Revenue		2,996,489	2,495,389	2,488,803	(501,100)	6,586
Total income other than income from State Government		2,996,489	2,495,389	2,488,803	(501,100)	6,586
NET COST OF SERVICES		5,339,011	5,200,828	4,511,043	(138,183)	689,785
Income from State Government						
State Government Grant		6,882,000	6,915,000	6,980,000	33,000	(65,000)
Resources received free of charge		59,250	110,034	54,000	50,784	56,034
Total income from State Government		6,941,250	7,025,034	7,034,000	83,784	(8,966)
SURPLUS/(DEFICIT) FOR THE PERIOD		1,602,239	1,824,206	2,522,957	221,967	(698,751)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,602,239	1,824,206	2,522,957	221,967	(698,751)



7.10 Explanatory statement (continued)

Statement of Comprehensive Income (continued)

Major Estimate and Actual (2023) Variance Narratives

1. Scholarship expense is less than originally budgeted as a result of them only being offered as a 'top-up' scholarship and delays invoicing by the host universities. One scholarship was not awarded due to a lack of applications being received.
2. Supplies and services are lower than-budgeted. This is because consultant, systems implementation and conference expenses, website upgrade not progressed and no project management expenses during period.
3. Interest Revenue is more than budgeted due to increases in interest rates.
4. Other Revenue, for example event ticket sales from the net zero mining conference are lower than budgeted.
5. Income from industry sponsorship is below estimate as it is difficult to forecast an accurate value of industry sponsorship income for new research projects. Revenue from industry sponsorship is also impacted by decisions of sponsors to pay funds direct to researchers, rather than MRIWA, for projects forecast to be approved throughout the financial year.

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. The Employee benefits expense has increased from the prior year due to the increase in number of employees.
- B. Supplies and Services payments have increased due to the increase in financial management, legal and IT services, travel expenses and conference event costs.
- C. Interest Revenue increased from prior year due to increases in interest rates.
- D. Other Revenue has increased due to higher event sales compared to prior years and increase in conference sponsorships in relation to the event.
- E. Income from Industry sponsorship are driven by the terms set in the Conditions of Grant at the commencement of every new research project. The decrease in income reflects the reduced level of sponsorship funds to be managed by MRIWA in accordance with the Conditions of Grants entered into.



7.10 Explanatory statement (continued)

Statement of Financial Position

	Variance note	Original budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between estimate and actual \$	Variance between actual results for 2023 and 2022 \$
ASSETS						
Current Assets						
Cash and cash equivalents		3,681,601	7,225,344	4,500,162	3,543,743	2,725,183
Restricted cash and cash equivalents		14,726,404	8,835,922	10,753,921	(5,890,482)	(1,918,000)
Receivables and other assets		767,549	489,901	570,474	(277,648)	(80,573)
Other current assets		16,743	179,752	57,447	163,009	122,305
Total Current Assets		19,192,297	16,730,919	15,882,004	(2,461,378)	848,915
Non-Current Assets						
Total Non-Current Assets		-	-	-	-	-
TOTAL ASSETS		19,192,297	16,730,919	15,882,004	(2,461,378)	848,915



Financial Statements and Notes

7.10 Explanatory statement (continued)

Statement of Financial Position (continued)

	Variance note	Original budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between estimate and actual \$	Variance between actual results for 2023 and 2022 \$
LIABILITIES						
Current Liabilities						
Payables		50,000	77,445	48,955	27,445	28,490
Provisions		101,500	81,243	79,527	(20,257)	1,716
Deferred income	1, A	4,643,992	2,275,266	3,269,073	(2,368,726)	(993,807)
Total Current Liabilities		4,795,492	2,433,954	3,397,555	(2,361,538)	(963,601)
Non-Current Liabilities						
Provisions		79,000	89,183	100,873	10,183	(11,690)
Total Non-Current Liabilities		79,000	89,183	100,873	10,183	(11,690)
TOTAL LIABILITIES		4,874,492	2,523,137	3,498,428	(2,351,355)	(975,291)
NET ASSETS		14,317,805	14,207,782	12,383,576	(110,023)	1,824,206
EQUITY						
Accumulated surplus		14,317,805	14,207,782	12,383,576	(110,023)	1,824,206
TOTAL EQUITY		14,317,805	14,207,782	12,383,576	(110,023)	1,824,206



7.10 Explanatory statement (continued)

Statement of Financial Position (continued)

Major Estimate and Actual (2023) Variance Narratives

1. Deferred income is lower than the estimate as projects approved by the Board in 2022-23 had reduced level of sponsorship funds to be managed by MRIWA. The income received from sponsors and whether this is paid direct to researchers or MRIWA, has a direct relationship to the deferred revenue calculated.

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Deferred income has decreased from the prior year as projects approved by the Board in 2022-23 had reduced level of sponsorship funds to be managed by MRIWA. The income received from sponsors and whether this is paid direct to researchers or MRIWA, has a direct relationship to the deferred revenue calculated.



7.10 Explanatory statement (continued)

Statement of Cash Flows

	Variance note	Original budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between estimate and actual \$	Variance between actual results for 2023 and 2022 \$
CASH FLOWS FROM STATE GOVERNMENT						
State Government Grant						
Net cash provided by State Government		6,882,000	6,915,000	6,980,000	33,000	(65,000)
		6,882,000	6,915,000	6,980,000	33,000	(65,000)
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Research Grant Payments and Scholarship		(5,363,404)	(5,591,534)	(6,131,674)	(228,130)	540,140
Employee benefits	A	(1,148,983)	(1,263,045)	(812,393)	(114,062)	(450,652)
Institute Contractor fees		(52,000)	-	-	52,000	-
Board and Advisory committee fees		(55,543)	(49,468)	(55,543)	6,075	6,075
Supplies and Services	1, B	(1,128,717)	(622,422)	(404,575)	506,295	(217,847)
GST payments on purchases		(654,412)	(596,872)	(570,453)	57,540	(26,419)



7.10 Explanatory statement (continued)

Statement of Cash Flows (continued)

	Variance note	Original budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between estimate and actual \$	Variance between actual results for 2023 and 2022 \$
Receipts						
Receipts from Sponsors	2, C	2,068,843	720,109	1,514,842	(1,348,734)	(794,733)
Receipts from events	3, D	549,264	236,075	60,480	(313,189)	175,595
Interest received	4, E	80,229	377,086	53,143	296,857	323,943
GST receipts on sales	5	206,884	112,265	113,569	(94,619)	(1,304)
GST receipts from taxation authority	6, F	461,569	569,989	355,659	108,420	214,330
Net cash used in operating activities		(5,036,270)	(6,107,817)	(5,876,945)	(1,071,547)	(230,872)
Net increase/(decrease) in cash and cash equivalents		1,845,730	807,183	1,103,055	(1,038,547)	(295,872)
Cash and cash equivalents at the beginning of the period		16,562,275	15,254,083	14,151,028	(1,308,192)	1,103,055
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		18,408,005	16,061,266	15,254,083	(2,346,739)	807,183



7.10 Explanatory statement (continued)

Statement of Cash Flows (continued)

Major Estimate and Actual (2023) Variance Narratives

1. Supplies and services are lower than-budgeted. This is because consultant, systems implementation and conference expenses, website upgrade not progressed and no project management expenses during period. All resulting in lower-than-expected cash outflows.
2. Income from industry sponsorship is below estimates as it is difficult to forecast an accurate value of industry sponsorship income for new research projects. Revenue from industry sponsorship is also impacted by decisions of sponsors to pay funds direct to researchers, rather than MRIWA, for projects forecast to be approved throughout the financial year.
3. Receipts from events are below estimates due to event ticket sales from the net zero mining conference being lower than budgeted.
4. Interest received are higher than estimate due to an increase in interest rates.
5. GST Received is lower receipts than estimated in this financial year.
6. GST Receipts from taxation authority is higher than estimate due to refund of prior year GST balances and a regular refund request to the taxation office.

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Employee benefits have increased due to an increase in the workforce.
- B. Supplies and Services payments have increased due to the increase in financial management, legal and IT services, travel expenses and conference event costs.
- C. Receipts from sponsors are driven by the terms set in the Conditions of Grant at the commencement of every new research project. The decrease in receipts reflects the reduced level of sponsorship funds to be managed by MRIWA in accordance with the Conditions of Grants entered into.
- D. Receipts from events has increased as cash received from conference sponsorship and event ticket sales increased from the prior year.
- E. Interest received has increased due to an increase in interest rates.
- F. GST Receipts from taxation authority has increased due to refund of prior year GST balances and a regular refund request to the taxation office.



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