



M E R I W A

MERIWA Annual Report 2007-2008

MINERALS AND ENERGY RESEARCH INSTITUTE
OF WESTERN AUSTRALIA

“To encourage the development of the
Minerals and Energy Industries within the
State by fostering and promoting all
aspects of minerals and energy research”





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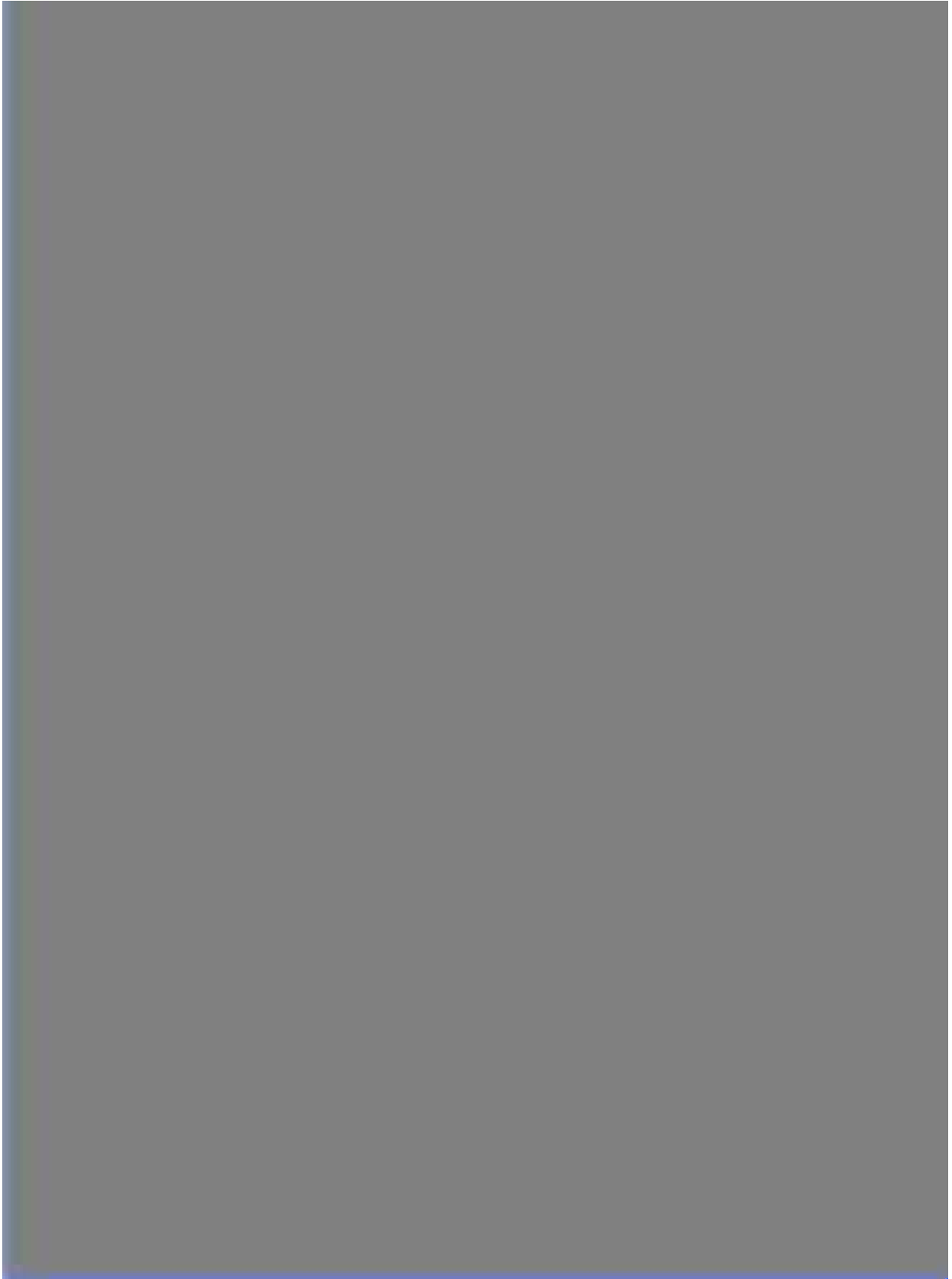
Letter of Transmittal



**Statement of Compliance
with Relevant Written Law**



_____ **Statement of Compliance** _____
with Relevant Written Law





Statement of Compliance with Relevant Written Law

All research completed is published as reports that are available to the public at cost of production. Reports are available in both CD-ROM and hardcopy formats. Some earlier copies are only available as hardcopies or microfiche.

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

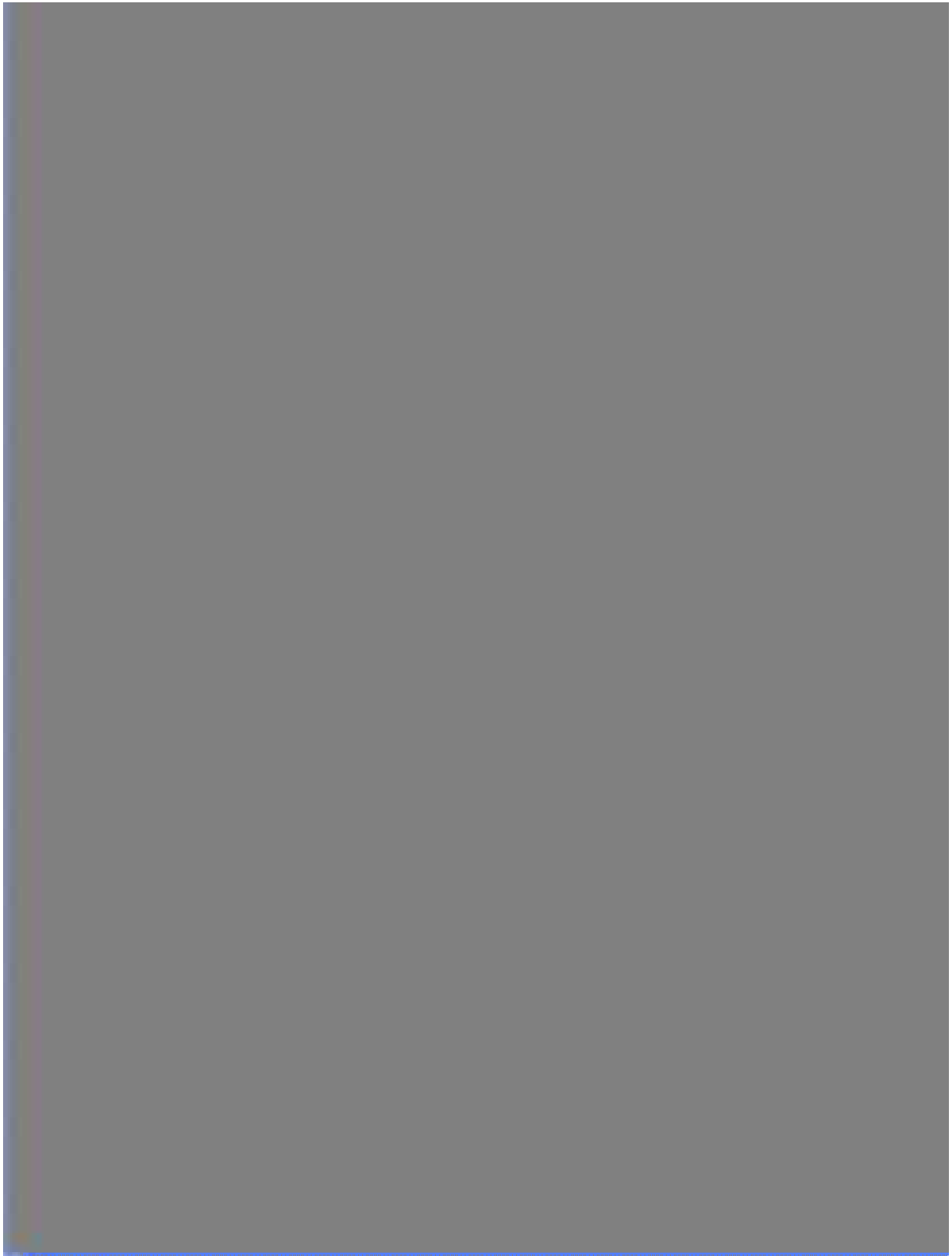
S R Baker
CHAIRMAN,
BOARD OF DIRECTORS

A Webster
DIRECTOR

10 September 2008



Functions



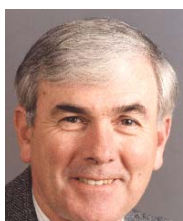


Structure



MINISTER FOR RESOURCES
THE HON FRANCIS LOGAN MLA

BOARD OF DIRECTORS



MR S R BAKER
CHAIRMAN



MR P C LOCKYER
CONSULTING MINING ENGINEER



MS A WEBSTER
LEGAL COUNSEL & COMPANY SECRETARY
BARRICK GOLD OF AUSTRALIA



PROFESSOR B F RONALDS
CHIEF – CSIRO PETROLEUM

MINERALS RESEARCH ADVISORY COMMITTEE
CHAIRMAN: PROFESSOR ODWYN JONES

ACTING EXECUTIVE OFFICER
DR DON MARTIN

CHIEF FINANCE OFFICER
MR JOE FORTUNA

PROJECT COORDINATOR
DR PAMELA SMITH



Board of Directors' Report

Board of Directors' Report (Continued)

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Board of Directors' Report (Continued)

This image shows a blank, aged, cream-colored page, likely an endpaper or flyleaf of a book. The paper has a slightly textured appearance with some minor creases and discoloration, particularly along the edges. The left edge of the page shows the binding of the book, and the overall tone is a warm, off-white or light beige.



Board of Directors' Report (Continued)

Date	Description	Debit	Credit	Balance
1890	Jan 1			100.00
1891	Feb 1			100.00
1892	Mar 1			100.00
1893	Apr 1			100.00
1894	May 1			100.00
1895	Jun 1			100.00
1896	Jul 1			100.00
1897	Aug 1			100.00
1898	Sep 1			100.00
1899	Oct 1			100.00
1900	Nov 1			100.00
1901	Dec 1			100.00
1902	Jan 1			100.00
1903	Feb 1			100.00
1904	Mar 1			100.00
1905	Apr 1			100.00
1906	May 1			100.00
1907	Jun 1			100.00
1908	Jul 1			100.00
1909	Aug 1			100.00
1910	Sep 1			100.00
1911	Oct 1			100.00
1912	Nov 1			100.00
1913	Dec 1			100.00
1914	Jan 1			100.00
1915	Feb 1			100.00
1916	Mar 1			100.00
1917	Apr 1			100.00
1918	May 1			



Board of Directors' Report

(Continued)

Publications

Six final reports on minerals projects were published during the year and distributed in CD-ROM form to technical libraries in Western Australia and interstate. A synopsis of each of the reports is included in later pages of this document.

The number of reports published by MERIWA since its inception now totals 263, and it has been pleasing to see an ongoing demand for copies of them. Reports in hard copy, microfiche or CD-ROM are provided to companies or private individuals on request, at nominal prices, sufficient to recover the cost of reproduction. In 2007/2008 14 hard copy and 40 CD-ROM reports were sold, producing revenue of \$3 101.00.

Office Services

Services provided by the Department of Industry and Resources, notably the provision of office space, along with its continued support in associated areas, are much appreciated by the Board.

Code of Conduct for Government Boards and Committees

The Board and the Minerals Research Advisory Committee adopted individual Codes of Conduct in accordance with the recommendations of the Commissioner of Public Sector Standards.

Staff and Committees

The Board again acknowledges the valuable assistance that has been provided to the Institute by the Minerals Research Advisory Committee under the able Chairmanship of Professor Odwyn Jones.

Both the members and deputy members met on a regular basis during the year, in sub-committee or in committee, to assess the research proposals received, and to advise the Board of their suitability and technical merit before grants were approved. This takes considerable time, and as the great majority is provided on an honorary basis, MERIWA is most appreciative of this contribution.

Finally, the Board acknowledges the contribution and competence of the four part-time contractors and consultants in coordinating and administering the affairs of the Institute.

S R Baker
CHAIRMAN,
BOARD OF DIRECTORS



**MINERALS AND ENERGY RESEARCH INSTITUTE OF
WESTERN AUSTRALIA
(MERIWA)**

**100 Plain Street
EAST PERTH WA 6004**

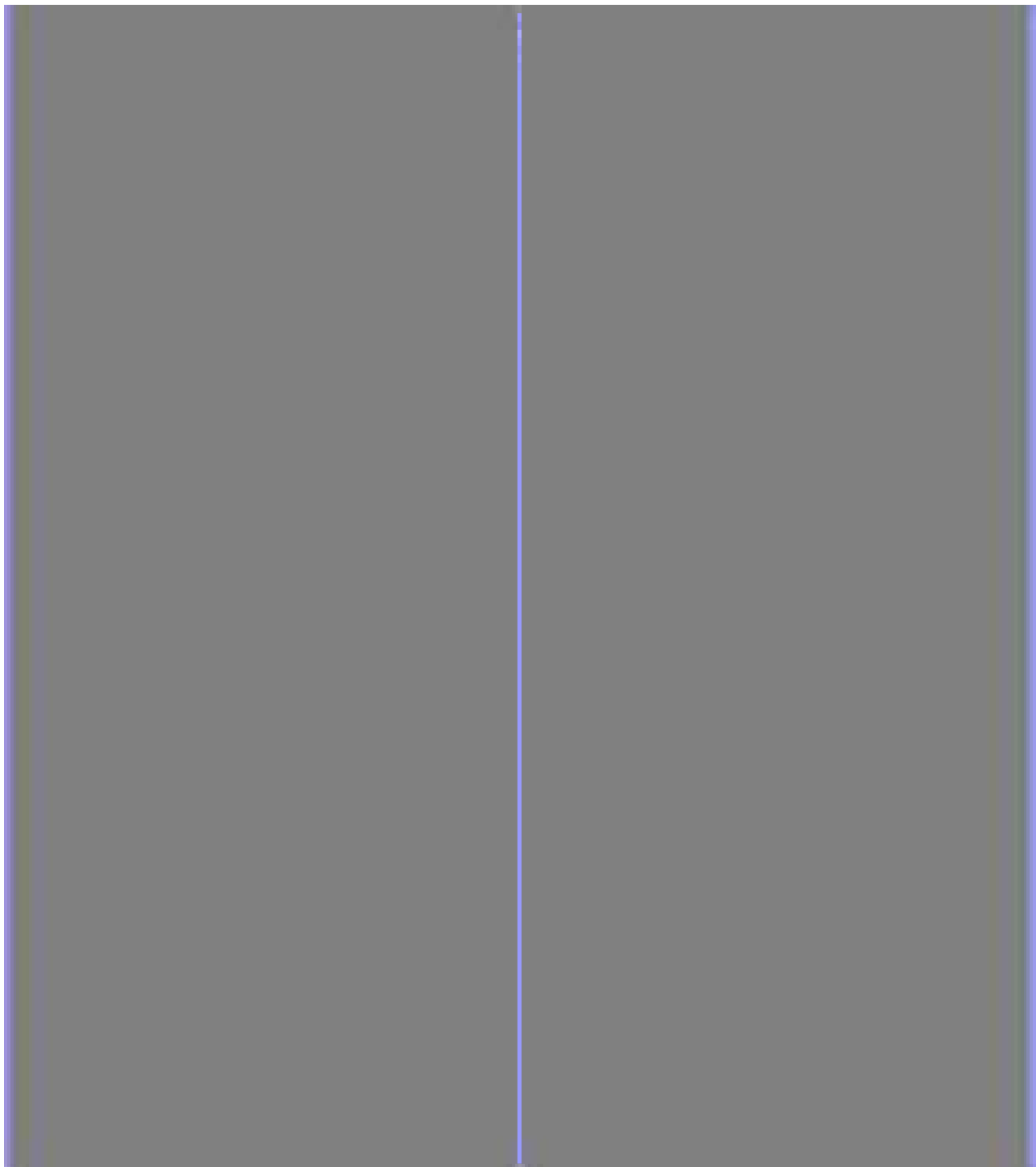
Enquiries:

Telephone: (08) 9222 3397
Facsimile: (08) 9222 3727

Email: gwen.davies@doir.wa.gov.au
Website: www.doir.wa.gov.au/meriwa



Operating Report

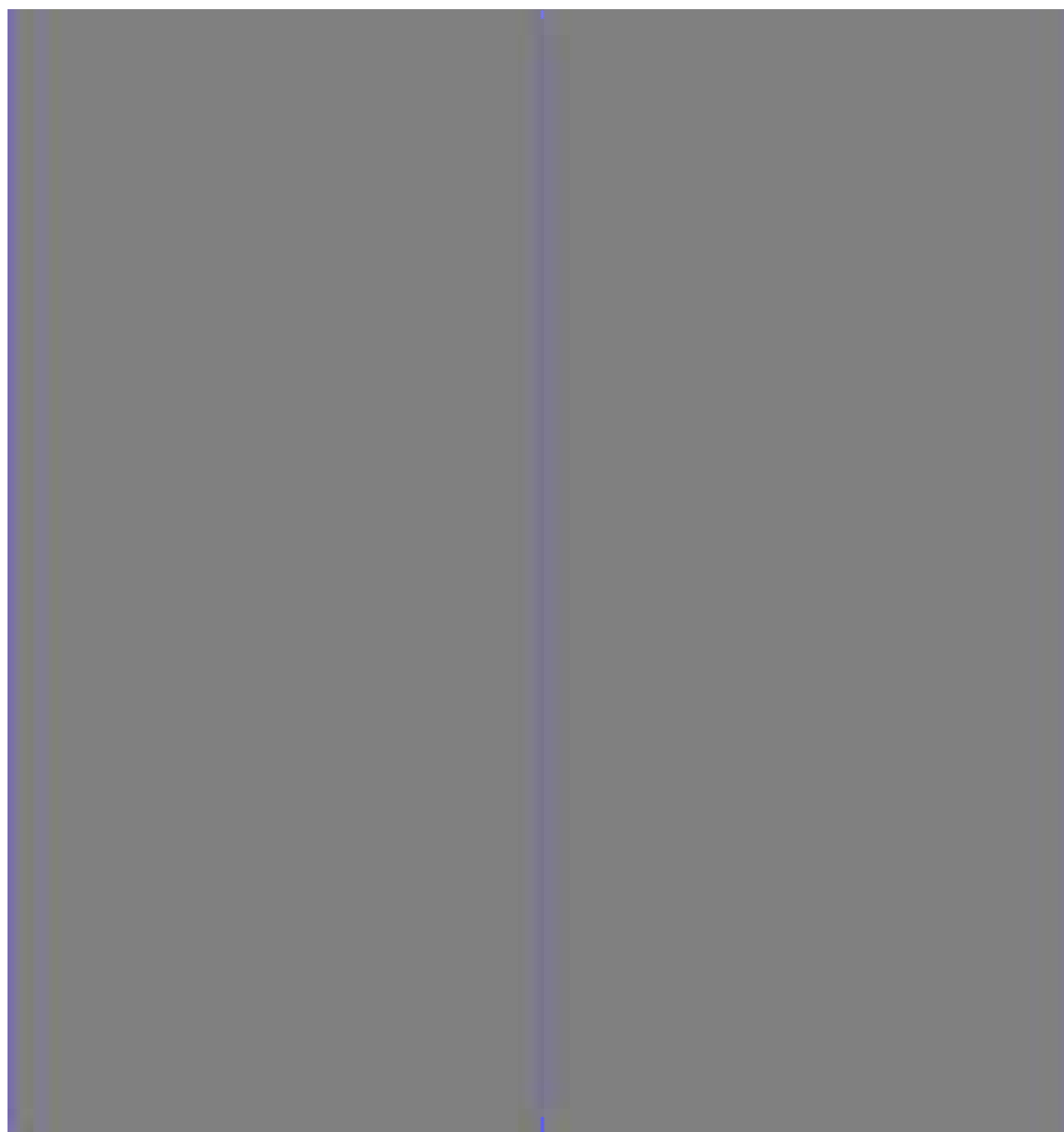


	2007-08	2006-07	\$'000 2005-06	2004-05	2003-04
Value of minerals research commenced	1 189	2 911	2 547	1 623	1 201
Scholarships	50	30	60	30	45
Total	1 239	2 941	2 607	1 653	1 246



Operating Report (Continued)

	2007-08	2006-07	2005-06	2004-05	2003-04
Industry sponsorship achieved	81%	75%	71%	66%	80%
Target	65%	65%	65%	65%	65%



No. of reports distributed or sold	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
Microfiche	2	8	-	1	1
Hard copy	83	99	150	78	95
CD-ROM	267	302	478	364	314
Total	352	409	628	443	410



Operating Report

(Continued)

Effectiveness

The table below indicates that for every dollar of government funds expended on research in 2007/2008 (excluding scholarships), \$2.82 of research was commenced.

	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
Ratio of research value to government funds utilised	2.82	1.99	3.32	2.26	3.41

Efficiency

MERIWA's overall efficiency increased in 2007/2008 with slightly higher value of research commenced offset by higher administration costs. (Three year moving average).

	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
Administration cost as a percentage of value of research generated	9.09	12.18	10.41	8.14	8.4

Table 4 summarises the key components of MERIWA's performance over the past five years.



Operating Report

TABLE 4: MERIWA Results

Factors	2007/08	2006/07	2005/06	2004/05	2003/04
PROJECTS					
Applications received	8	10	12	14	12
Projects approved	7	7	7	9	7
Projects completed	6	7	11	8	7
TECHNOLOGY TRANSFER					
No. reports published	6	7	11	8	7
No. microfiche issued or sold	2	8	0	1	1
No. hard copies issued or sold	83	99	150	78	95
No. CD ROM copies issued or sold	267	302	478	364	314
Other publications (Research News)	2	2	2	2	2
FUNDS UTILISED (\$'000)					
Budget appropriation	630	657	649	645	631
Interest on cash flow	119	77	76	83	95
Other income	3	3	3	3	2
Transferred from (to) reserves	(330)	725	39	(14)	(246)
Total Government funds utilised	422	1 462	767	717	482
Less administration costs	*211	*203	*190	*188	*138
Funds utilised to support research	211	1 259	577	529	344
MERIWA GRANTS					
For research projects	222	725	747	551	335
For scholarship	50	30	60	30	45
Total grants	272	755	807	581	380
INDUSTRY SPONSORSHIP					
Total industry sponsorship coordinated through MERIWA	967	2 186	1 800	1 072	1 309
Total value of new research projects	1 189	2 911	2 547	1 623	1 201
Value of research generated to government funds utilised	2.82	1.99	3.32	2.26	3.41
Administration cost to value of research generated**	9.09%	12.18%	10.41%	8.14%	8.4%

* Three-year moving average.



Minerals Research Advisory Committee

Nominated by the Minister	Professor I O Jones (Chairman)	Consulting Mining Engineer
	Mr I M Suckling	Senior Manager Technical and Site Services, Newmont Australia Limited
	Dr A Buckingham (Deputy Member)	Director, Fathom Geophysics
	<i>Position Vacant</i>	Australian Mineral Industries Research Association
	Mr R J Rowe (Deputy Member)	Chief Geologist, Barrack Gold of Australia
	Ms D Lord	Senior Consultant - Geologist, SRK Consulting
	Mr P W Baillie (Deputy Member)	Chief Geologist Asia Pacific, TGS NOPEC Geophysical Company
	Professor W Stock	Centre for Ecosystem Management, Edith Cowan University
	Dr E van Etten (Deputy Member)	Faculty of Computing, Health & Science, Edith Cowan University
	Mrs A Meakins	Principal Consultant (AMEC)
Nominated by: Department of Industry and Resources	Dr B Smith (Deputy Member)	Consulting Geologist - Geochemist (AMEC)
	Ms B S Bower	General Manager – Petroleum Tenure & Land Access Policy, Legislation and Titles
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Dr R J Hart (Deputy Member)	Project Manager – Industry and Infrastructure Development
	Dr C R M Butt	Chief Scientist, Exploration and Mining
	Dr B McInnes (Deputy Member)	Program Leader, Exploration Geoscience
The University of Western Australia	Professor M B Bush	Faculty of Engineering, Computing and Mathematics
	Professor R J Gilkes (Deputy Member)	Centre for Land Rehabilitation
Murdoch University	Professor P Bahri	School of Electrical, Energy and Process Engineering
	Mr W Staunton (Deputy Member)	Principal Gold Metallurgist
Curtin University of Technology	Professor B Evans	Department of Exploration Geophysics
	Professor E Villaescusa (Deputy Member)	Project Leader, WA School of Mines
Chamber of Commerce and Industry of WA	Dr C L Baker	Principal Research Scientist, Alcoa World Alumina
	Ms B Pavey (Deputy Member)	Senior Adviser Environmental Policy
Chamber of Minerals and Energy of WA (Inc.)	<i>Positions Vacant</i>	
Australian Petroleum Production and Exploration Association	Mr N Kavanagh	Development Planner and Technology Leader, Woodside Energy Ltd.
	Dr J D Gorter (Deputy Member)	New Ventures Manager, Eni Australia Limited

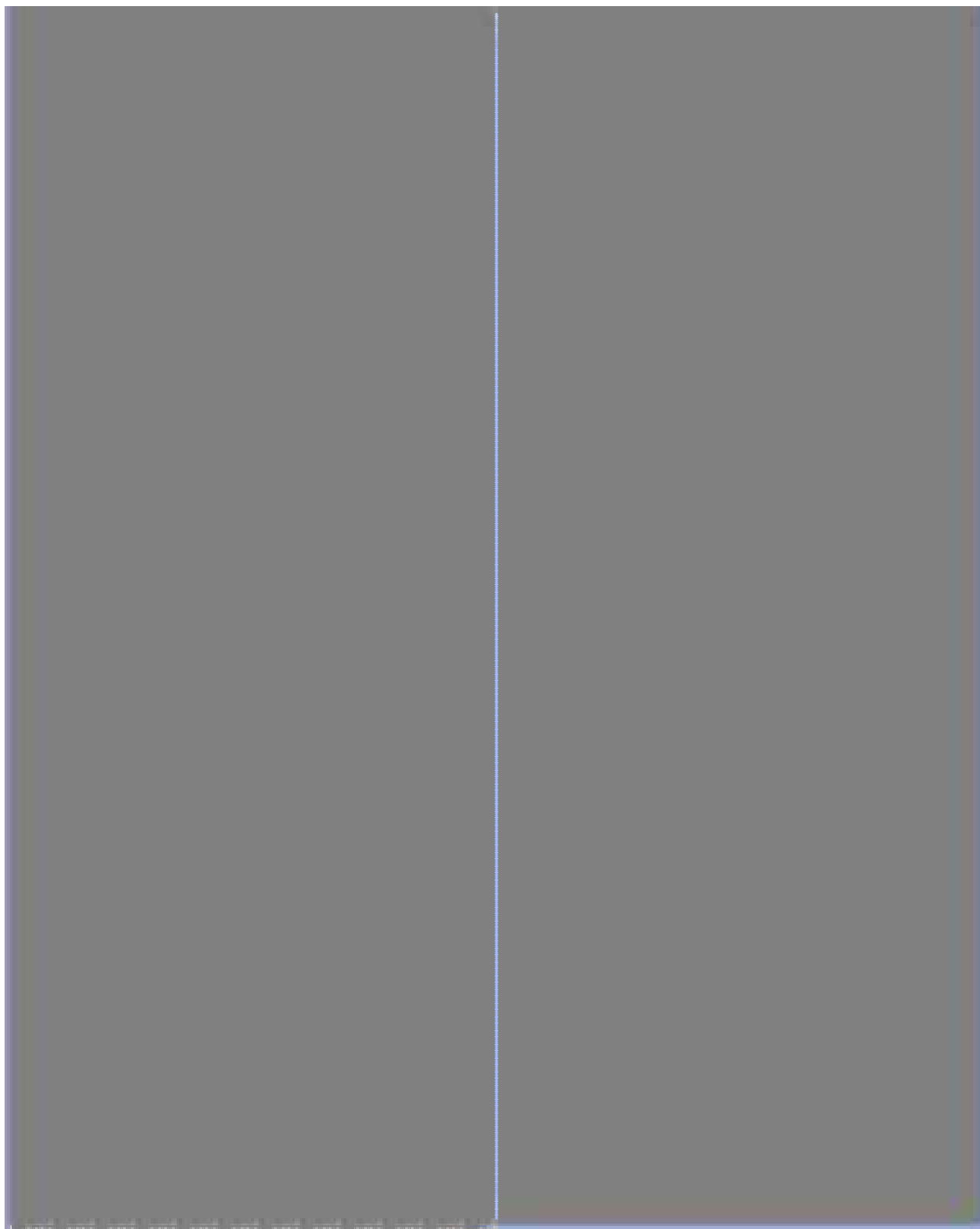


Minerals Research Advisory Committee

St Jones.



— Reports Published in 2007/08 —



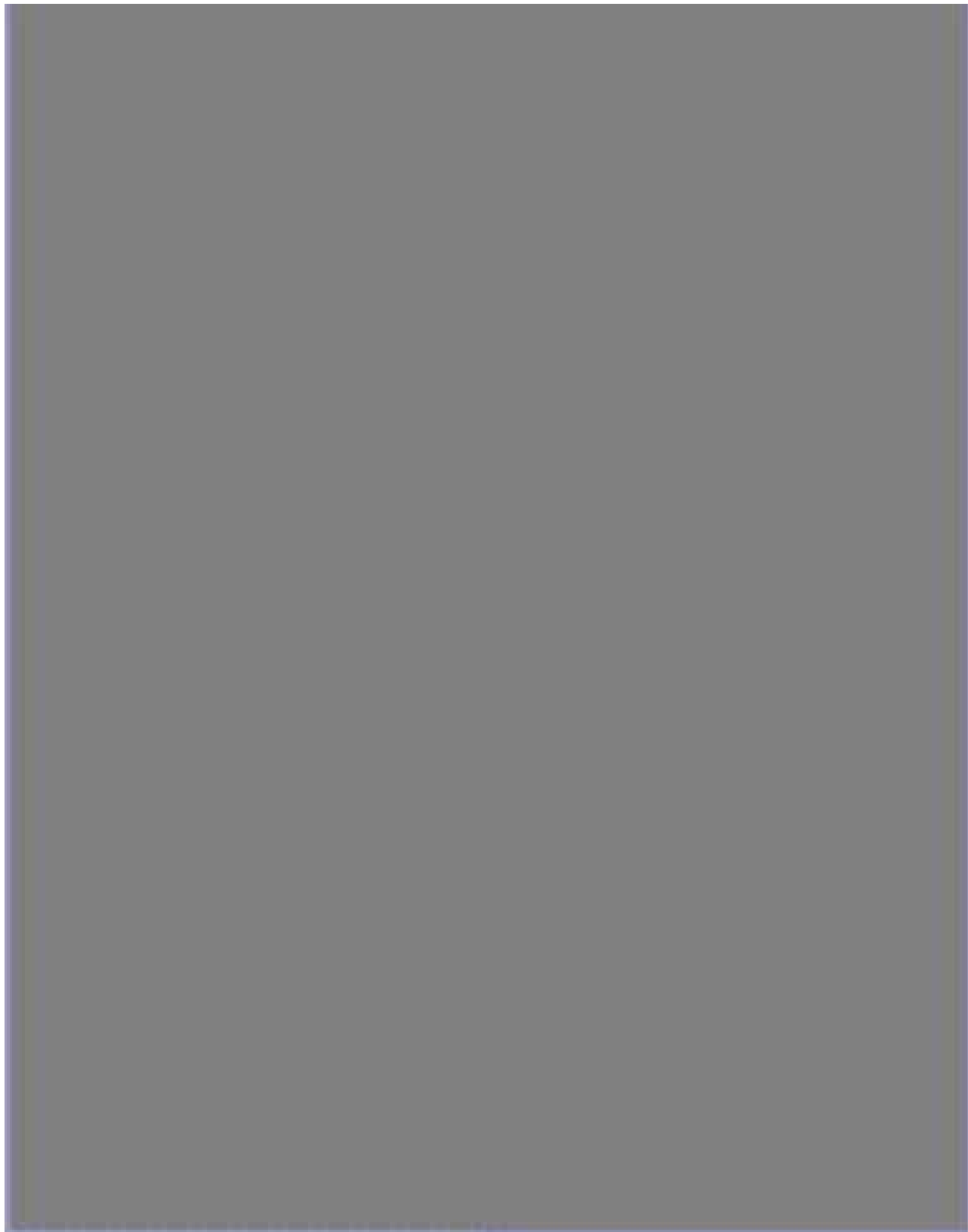


Reports Published in 2007/08

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— Reports Published in 2007/08 —





Projects in Progress: 30 June 2008

No.	Project Title	Applicants	Institute	Term (years)	Cash Cost (\$)	Notional Value (\$)
M349A	Dynamic testing of ground control systems	Prof E Villaescusa Dr A Thompson	WASM	3	474 000	627 900
M364	Successful rehabilitation of species-rich heathlands after mining for heavy minerals	Prof B Lamont Prof N Enright	Curtin	3	66 000	85 000
M366	High resolution seismic monitoring in open pit mines	Prof Y Potvin	UWA/ACG	3	553 666	553 666
M372	A physiological and biochemical basis for seed storage for biodiversity conservation and restoration	A/Prof D Turner Dr K Dixon	UWA	3	15 000	628 063
M373	Development and implementation of advanced automated core logging technology for enhanced mine feasibility and development in Western Australia	Dr J Huntington Dr L Whitbourn	CSIRO	2	360 417	677 417
M377	Scale-integrated, architecturally, geodynamically and geochemically constrained targeting models for gold deposits in the Eastern Goldfields Province, Yilgarn Craton	Dr J Walshe Dr P Neumayr	CSIRO/ UWA	2	1 153 040	1 783 040
M381	Ecohydrological characterisation of the natural and rehabilitation ecosystems at Newcrest's Telfer Gold Mine	Prof H Lambers Dr C Hinz	UWA	4	650 000	2 195 000
M382	Evaluation of monorail haulage in metalliferous underground mining	Dr E Chanda Dr M Kuruppu	WASM	15 Mths	65 648	87 488
M384	Gold processing technology	Mr W Staunton	Murdoch	2½	140 800	2 053 200
M385	The development of a hyperspectral environmental measurement tool for monitoring mining related infrastructure and rehabilitation	Ms C Ong Mr M Piggott	CSIRO	18 mths	455 000	1 161 000
M386	Broadening the application of seismic monitoring in Australian underground mines	Prof Y Potvin Dr D Heal	ACG	3	1 068 000	1 293 000
M388	Controls on platinum group element variation in mafic and ultramafic magmatic systems	Prof M Barley Dr S Barnes	UWA	3	75 000	927 410
M389	A four-dimensional interpretation of the geological evolution of the Proterozoic West Tanami Region and its mineral systems	Dr F Bierlein Dr W Brown	UWA	3	242 363	242 363
M390	Measuring particle surface charge and particle interactions in process liquors	Dr V Patrick Dr E Karakyriakos	Central Chemical Consulting	3	474 000	474 000
M392	Iron oxyhydroxide characterisation and modification in bauxite: Tools for predicting and improving Bayer clarification performance	Prof B Gilkes Dr P Swash	UWA	2	261 153	341 153



Projects in Progress: 30 June 2008

(Continued)

No.	Project Title	Applicants	Institute	Term (yrs)	Cash Cost (\$)	Notional Value (\$)
M393	Banded iron formations and iron ores of the Hamersley Province: New insights from field, petrographic and geochemical studies	Dr B Rasmussen Dr B Krapez	UWA	3	435 000	435 000
M395	Modelling of submarine landslides and their impact on pipelines	Dr D White Prof M Randolph	UWA	3	776 000	1 685 000
M396	Establishing a chronostratigraphic framework for the Devonian Canning Basin Reef Complex	Dr P Cawood Dr A Smirnov	UWA	3	439 300	649 460
M397	Impact of low liquid hold-up levels within natural gas transmission pipelines and the influence on particle deposition	A/Prof D Pack Dr Robert Amin	Curtin	3	75 000	557 610
M398 Phase 1	Cyanide Ecotoxicity at Hypersaline Gold Operations – Phase I	Dr M Adams Mr R Schulz	Mutis Liber Pty Ltd	4 mths	275 930	275 930
M398 Phase 2	Cyanide Ecotoxicity at Hypersaline Gold Operations – Phase II	Dr M Adams Mr R Schulz	Mutis Liber Pty Ltd	8 mths	398 404	735 504
M399	Susceptibility to <i>Phytophthora cinnamomi</i> and sensitivity to phosphate in native Australian plants: why are they linked?	Prof H Lambers A/Prof G Hardy	UWA / Murdoch	5 yrs	700 000	1 875 000
M400	On-site validation and implementation of new hylogging technologies – technology transfer and re-skilling	Dr J Huntington Dr J Walshe	CSIRO	2	419 000	539 000
M401	Improving solvent extraction technology	Dr D Robinson	CSIRO	3	1 350 000	1 500 000
M402	Hydrogeochemical mapping of the Northeast Yilgarn	Dr D Gray Dr R Noble	CSIRO	15 mths	207 000	482 000



Reports not yet Published as at 30 June 2008

Report No.	Project No.	Project Title	Author	Status
212	M256	Influence of oxalate seed poisons on the crystallization and surface properties of sodium oxalate in the Bayer process	A McKinnon	In process of publication
265	M378	Use of metham sodium to eliminate <i>Phytophthora</i> from roading gravel	E M Davison B Warton F C S Tay	In process of publication
270	M379	The classification of inland salt lakes in Western Australia	S Gregory	In process of publication



Financial Assistance from Industry

The following list is of companies and organisations which provided financial sponsorship in 2007/08 for projects in progress. The Board of Directors thank these groups for their sponsorship and support.

MINERALS RESEARCH

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Performance Indicators for the year ended 30 June 2008

Minerals Research Program

Outcome

"Promote all aspects of minerals research"

The key incentive provided by governments to encourage more research is to subsidise its cost. Government research funding schemes generally provide this subsidy on a dollar-for-dollar basis, in which case the amount of research undertaken is theoretically doubled. MERIWA's policy is that the magnitude of the subsidy is nominally 35% of the cash cost, encouraging a higher level of participation from industry.

The subsidy level must be such, however, to give MERIWA the authority to rigorously assess research programs and to establish "Conditions of Grant" that facilitate coordination and accountability, and ensure that final reports can be published and widely distributed. The subsidy must be of a level to enable promotion of research on regulatory issues such as occupational health and safety, and minesite rehabilitation.

In addition, research at PhD level is encouraged by the awarding of five supplementary research scholarships this year.

Effectiveness Indicator

Research was promoted by subsidy to the extent of the funds available. To maximise the effectiveness of this investment, sponsorship was maximised and the involvement of industry in each phase of the research was promoted to focus the scope of the study on the needs of industry and maximise technology transfer. By publishing reports, the research results were disseminated as widely as possible.

The average level of industry sponsorship as a percentage of research value in 2007/2008 was 81% against a target of 65%. The effectiveness of postgraduate doctoral research scholarships in promoting research will be gauged by the success of students in ultimately achieving their PhDs and in presentations of technical papers and posters at Australian and international symposia. Five scholarships were awarded in 2007/2008.

Service

"Finance and coordinate minerals research"

Efficiency Indicator:

The indicator is a function of the number of projects and administration costs. Costs of administration are rising due to normal indexed increases to wages and supplies. The current trend is for fewer projects that cost more to be funded whilst the matching funds from consolidated revenue available to the Board are declining in real terms.

Effectiveness Indicator – Outcome	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004
% Industry sponsorship achieved.	81%	75%	71%	66%	80%
Target.	65%	65%	65%	65%	65%
Research value	1 189 334	2 911 164	2 546 559	1 623 029	1 200 742

Efficiency Indicator – Service	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004
\$ cost per minerals research grant administered	8 435	8 114	7 922	6 497	4 745



Certification of Performance Indicators
for the year ended 30 June 2008

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Minerals and Energy Research Institute of Western Australia's performance, and fairly represent the performance of the Minerals and Energy Research Institute of Western Australia for the financial year ended 30 June 2008.

S R Baker
CHAIRMAN,
BOARD OF DIRECTORS

A Webster
DIRECTOR

10 September 2008



Opinion of the Auditor General on Performance Indicators for the year ended 30 June, 2008



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

MINERALS AND ENERGY RESEARCH INSTITUTE OF WESTERN AUSTRALIA FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the Minerals and Energy Research Institute of Western Australia.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Minerals and Energy Research Institute of Western Australia Financial Statements and Key Performance Indicators for the year ended 30 June 2008

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Minerals and Energy Research Institute of Western Australia at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Institute provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Institute are relevant and appropriate to help users assess the Institute's performance and fairly represent the indicated performance for the year ended 30 June 2008


COLIN MURPHY
AUDITOR GENERAL
19 September 2008



Income Statement for the year ended 30 June 2008

	Note	2008	2007
		\$	\$
COST OF SERVICES			
Expenses			
Research grants	6	2,203,949	1,883,002
Scholarships	7	50,000	29,987
Employee benefits expense	8	121,987	117,655
Board and committee fees and costs	9	37,537	39,123
Administration expenses	10	19,856	20,866
Accommodation expenses	11	31,500	25,200
Capital user charge	12	-	34,000
Depreciation expense	13	901	2,017
Total Cost of Services		2,465,730	2,151,850
Income			
Interest Revenue	14	119,169	76,736
Other Revenue	15	3,101	2,871
Revenues from Industry Sponsorship	16	997,077	2,114,967
Total income other than income from State Government		1,119,347	2,194,574
NET COST OF SERVICES		1,346,383	(42,724)
INCOME FROM STATE GOVERNMENT			
Service Appropriation	17	630,000	657,000
Resources received free of charge	18	31,500	25,200
Total income from State Government		661,500	682,200
SURPLUS/(DEFICIT) FOR THE PERIOD		(684,883)	724,924

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



Balance Sheet as at 30 June 2008

	Note	2008	2007
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	19, 28	24,652	29,413
Restricted cash and cash equivalents	20, 28	1,542,735	1,534,512
Receivables	21	1,028,757	687,762
Other Current Assets	22	730	5,880
Total current assets		2,596,874	2,257,567
Non-current Assets			
Receivables	21	241,300	763,250
Plant and equipment	23	1,856	2,757
Total non-current assets		243,156	766,007
TOTAL ASSETS		2,840,030	3,023,574
LIABILITIES			
Current liabilities			
Payables	25	55,000	33,800
Other Current Liabilities	26	495,175	10,036
Total current liabilities		550,175	43,836
Non-current liabilities			
Payables	25	-	5,000
Total non-current liabilities		-	5,000
TOTAL LIABILITIES		550,175	48,836
NET ASSETS		2,289,855	2,974,738
EQUITY			
Accumulated Surplus	27	2,289,855	2,974,738
TOTAL EQUITY		2,289,855	2,974,738

The Balance Sheet should be read in conjunction with the accompanying notes.



Statement of Changes in Equity

for the year ended 30 June, 2008

	Note	2008	2007
		\$	\$
Balance of equity at start of period		2,974,738	2,249,814
Accumulated Surplus	27		
Balance at start of period		2,974,738	2,249,814
Surplus/(deficit) for the period		(684,883)	724,924
Balance at end of period		2,289,855	2,974,738
Balance of equity at end of period		2,289,855	2,974,738
Total income and expense for the period		(684,883)	724,924

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



Cash Flow Statement for the year ended 30 June, 2008

	Note	2008	2007
		\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	2(d)	630,000	657,000
Net cash provided by State Government		630,000	657,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Research Grant payments		(2,237,749)	(2,426,205)
Employee benefits		(122,891)	(117,714)
Capital User Charge		-	(42,500)
Other Operating Payments		(56,736)	(60,740)
GST Payments on Purchases		(221,663)	(246,332)
GST payments to Taxation Institute		(5,187)	-
Receipts			
Receipts from Sponsors		1,738,596	1,964,333
Interest received		124,319	75,691
Other receipts		3,101	2,871
GST receipts on sales		151,672	196,573
GST receipts from Taxation Institute		-	52,217
Net cash provided by/(used in) operating activities	28 (b)	(626,538)	(601,806)
Net increase/(decrease) in cash and cash equivalents		3,462	55,194
Cash and cash equivalents at the beginning of period		1,563,925	1,508,731
Cash and cash equivalents at the end of period	28 (a)	1,567,387	1,563,925

The Cash Flow Statement should be read in conjunction with the accompanying notes



Notes to the Financial Statements for the year ended 30 June, 2008

1. Australian equivalents to International Financial Reporting Standards

General

The Institute's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Institute has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of Standards

The Institute cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Institute for the annual reporting period ended 30 June 2008.

2. Summary of significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has 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.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

The judgements that have been made in the process of applying the Institute's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in note 3 'Judgements made by management in applying accounting policies'.



Notes to the Financial Statements for the year ended 30 June, 2008

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 'Key sources of estimation uncertainty'.

(c) Reporting Entity

The reporting entity comprises the Institute. There are no related bodies.

(d) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Interest

Revenue is recognised as the interest accrues.

Sponsorship Revenue

Sponsorship from Industry is recognised as revenue when the Institute obtains control over the assets comprising the contributions. Control is normally obtained upon signing of the sponsorship agreement.

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Institute gains control of the appropriated funds. The Institute gains control of appropriated funds at the time those funds are deposited to the bank account.

Sale of goods

Revenue is recognised from the sale of goods when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

(e) Plant and Equipment

Capitalisation/Expensing of assets

Items of plant and equipment costing \$1,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

Items of plant and equipment acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.



Notes to the Financial Statements for the year ended 30 June, 2008

Subsequent measurement

After recognition as an asset, the cost model is used for the measurement for plant and equipment and stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

Upon disposal of an item of plant and equipment, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. The expected useful life for plant and equipment is 3 to 7 years.

(f) Impairment of assets

Plant and equipment assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Institute is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet date.

See note 24 'Impairment of assets' for the outcome of impairment reviews and testing.

(g) Financial Instruments

In addition to cash, the Institute has two categories of financial instrument:

- Loans and Receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables



Notes to the Financial Statements for the year ended 30 June, 2008

Financial Liabilities

- Payables
- Other Liabilities

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(h) Cash and cash equivalents

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

More specifically, the Institute has Short term investments comprised of term deposits and bank bills invested in such securities as approved by the Treasurer.

(i) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (ie impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against an allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Institute will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(g) 'Financial Instruments' and note 21 'Receivables'.

(j) Payables and Accrued Expenses

Payables including accruals not yet billed are recognised at the amounts payable when the Institute 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. See note 2(g) 'Financial Instruments' and note 25 'Payables'.

(k) Research Grants

All minerals research projects are funded partly by MERIWA grants and partly by Industry sponsorship. Sponsorship is allocated by a company (the sponsor) to a research project, which by agreement, is paid through MERIWA, who on behalf of the sponsor, maintain financial control over the project and progressively advance the funds to the research grantee.

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, normally on a quarterly basis.

(l) Scholarships

Scholarships represent the Institute's obligation to fund approved scholarships.

Current liabilities include payments expected to be made within the next 12 months from the balance sheet date, and non current liabilities include payments expected to be made in later years.



Notes to the Financial Statements for the year ended 30 June, 2008

(m) Resources Received Free of Charge

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

(n) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3. Judgements made by management in applying accounting policies

The judgements that have been made by management in the process of applying accounting policies will have no significant effect on the amounts recognised in the financial statements other than those disclosed in Note 2.

4. Key sources of estimation uncertainty

There were no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Disclosure of changes in Accounting policy and Estimates

Initial application of an Australian Accounting Standard

The Institute has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Institute:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Institute's exposure to risks, including enhanced disclosure regarding components of the Institute's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

Voluntary changes in Accounting Policy

There were no voluntary changes in accounting policy that will have an effect on the current period or any prior period.

Future impact of Australian Accounting Standards not yet operative

The Institute cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Institute has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Institute but are not yet effective. Where applicable, the Institute plans to apply these Standards and Interpretations from their application date:



Notes to the Financial Statements for the year ended 30 June, 2008

Title	Operative for reporting periods beginning on/after
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from nonowner changes in equity. The Institute does not expect any financial impact when the Standard is first applied.	1 January 2009
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	
AASB 1004 'Contributions' (December 2007)	1 July 2008
AASB 1050 'Administered Items' (December 2007).	1 July 2008
AASB 1051 'Land Under Roads' (December 2007).	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007).	1 July 2008
AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007)	1 July 2008
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised) (December 2007)	1 July 2008
The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance otherwise there will be no financial impact.	

Changes in accounting estimates

There were no changes in accounting estimates that will have an effect on the current period or any prior or future periods.

6. Research Grants

	2008 \$	2007 \$
Research Grants – MERIWA	423,215	447,489
Research Grants – Industry Sponsorship	1,780,734	1,435,513
	<u>2,203,949</u>	<u>1,883,002</u>

7. Scholarships

Scholarships	50,000	29,987
	<u>50,000</u>	<u>29,987</u>



Notes to the Financial Statements

for the year ended 30 June, 2008

8. Employee benefits expenses

	2008 \$	2007 \$
Institute Contract Staff fees	111,915	107,940
Superannuation	10,072	9,715
	<u>121,987</u>	<u>117,655</u>

9. Board and Committee fees and costs

Board of Director's remuneration	31,950	33,800
Advisory Committee attendance fees	4,000	4,620
Board and Advisory Committee's expenses	1,587	703
	<u>37,537</u>	<u>39,123</u>

10. Administration expenses

Printing and Stationery	1,336	1,603
Advertising	-	946
Audit fees	11,800	11,800
Worker's Compensation premium	788	2,973
Other	5,932	3,544
	<u>19,856</u>	<u>20,866</u>

11. Accommodation expenses

Rental (notional)	31,500	25,200
	<u>31,500</u>	<u>25,200</u>

12. Capital user charge

Capital user charge	-	34,000
	<u>-</u>	<u>34,000</u>

The charge was a levy applied by Government for the use of its capital. The final charge was levied in 2006-07.

13. Depreciation expense

Plant and Equipment	901	2,017
	<u>901</u>	<u>2,017</u>

14. Interest Revenue

Interest on Investments – Term Deposits	119,169	76,736
	<u>119,169</u>	<u>76,736</u>

15. Other Revenue

Sale of Publications	3,101	2,871
	<u>3,101</u>	<u>2,871</u>

16. Revenue from Industry Sponsorship

Sponsorship from Industry	997,077	2,114,967
	<u>997,077</u>	<u>2,114,967</u>



Notes to the Financial Statements for the year ended 30 June, 2008

17. Service Appropriation

	2008 \$	2007 \$
Appropriation Revenue	630,000	657,000
	<u>630,000</u>	<u>657,000</u>

Service appropriation are accrual amounts reflecting the net cost of services delivered. The appropriation revenue is comprised of a cash component.

18. Resources received free of charge

Resources received free of charge have been determined on the basis of the following estimates provided by agencies.

Department of Industry and Resources	31,500	25,200
	<u>31,500</u>	<u>25,200</u>

Where services have been received free of charge or for nominal cost, the Institute recognises revenues equivalent to the fair value of the services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as expenses. The exception occurs where the contributions of services are in the nature of contributions by owners, in which case the Institute makes the adjustment direct to equity.

19. Cash and cash equivalents

Cash at bank	24,452	29,213
Cash on hand	200	200
	<u>24,652</u>	<u>29,413</u>

20. Restricted cash and cash equivalents

Research Grants	1,542,735	1,534,512
	<u>1,542,735</u>	<u>1,534,512</u>

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

21. Receivables

Current

Grants Receivable – Sponsorship	984,190	672,094
GST Receivable	44,567	15,668
	<u>1,028,757</u>	<u>687,762</u>

Non – Current

Grants Receivable – Sponsorship	241,300	763,250
	<u>241,300</u>	<u>763,250</u>



Notes to the Financial Statements for the year ended 30 June, 2008

21. Receivables (Continued)

Credit Risk

Ageing of receivables past due but not impaired based on information provided to senior management, at the balance sheet date:

	2008 \$	2007 \$
Not more than 3 months	-	50,500
More than 3 months but less than 6 months	-	160,000
More than 6 months but less than 1 year	-	78,000
More than 1 year	-	-
	<u>-</u>	<u>288,500</u>

There are no receivables individually determined as impaired at the balance sheet date.

The Institute does not hold any collateral as security or other credit enhancements relating to receivables.

See also note 2(i) 'Receivables' and note 31 'Financial Instruments'

22. Other Current Assets

Accrued Interest on Short Term Investments	730	5,880
	<u>730</u>	<u>5,880</u>

23. Plant and equipment

Plant and equipment		
At cost	8,970	8,970
Accumulated depreciation	(7,114)	(6,213)
	<u>1,856</u>	<u>2,757</u>

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out below:

Plant and equipment

Carrying amount at start of year	2,757	4,774
Depreciation	(901)	(2,017)
Carrying amount at end of year	<u>1,856</u>	<u>2,757</u>

24. Impairment of assets

There were no indications of impairment of plant and equipment assets at 30 June 2008.

The Institute held no goodwill or intangible assets or surplus assets at balance sheet date.

25. Payables

Current

Grants Payable – Research	10,000	-
Grants Payable – Scholarship	45,000	33,800
	<u>55,000</u>	<u>33,800</u>

Non – Current

Grants Payable – Scholarship	-	5,000
	<u>-</u>	<u>5,000</u>

See also note 2(j) 'Payables, 2(l) 'Research Grants', 2(m) 'Scholarships' and note 31 'Financial Instruments'



Notes to the Financial Statements for the year ended 30 June, 2008

26. Other Current Liabilities

	2008 \$	2007 \$
Accrued Expenses		
Institute contract staff fees	8,378	9,207
Superannuation	754	829
Printing and stationery	190	-
Committee expenses	316	-
Other misc	151	-
	<u>9,789</u>	<u>10,036</u>
Grants Received in advance		
Grants Received in advance - Sponsorship	485,386	-
	<u>495,175</u>	<u>10,036</u>

27. Equity

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

Accumulated Surplus		
Balance at start of period	2,974,738	2,249,814
Result for the period	(684,883)	724,924
Balance at end of period	<u>2,289,855</u>	<u>2,974,738</u>

28. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash at bank	24,452	29,213
Cash on hand	200	200
Restricted Cash and cash equivalents	1,542,735	1,534,512
	<u>1,567,387</u>	<u>1,563,925</u>

(b) Reconciliation of Net Cost of Services to Net Cash Flows Used In Operating Activities

	2008 \$	2007 \$
Net cost of services	(1,346,383)	42,724
Non-cash items:		
Resources received free of charge	31,500	25,200
Depreciation	901	2,017
(Increase)/Decrease in assets:		
Accrued Interest	5,150	(1,046)
Grants Receivable – Sponsorship	209,854	69,151
Prepayments	-	208,000
Increase/(Decrease) in liabilities:		
Grants Payable -Research	16,200	(791,236)
Grants Payable –Scholarship		
Sponsorship received in advance	485,386	(176,750)
Accrued expenses	(247)	(9,309)
Net GST (receipts)/payments	(75,178)	2,458
Change in GST in receivables/payables	46,279	26,985
Net Cash used in operating activities	<u>(626,538)</u>	<u>(601,806)</u>



Notes to the Financial Statements for the year ended 30 June, 2008

29. Commitments

At balance sheet date the Institute has \$2,363,182 (2007 \$3,031,029) of research grant commitments that are not recognised in the Income Statement. The Institute is obliged to make payment when the grantee has met the conditions of grant (see note 2k) and are payable as follows:

Within 1 year	1,425,019	1,914,213
Later than 1 year but not later than 5 years	938,163	1,116,816
Total	<u>2,363,182</u>	<u>3,031,029</u>

These commitments are not inclusive of GST

30. Explanatory Statement

Significant variations between estimates and actual results for income and expenses are shown below. Significant variations are considered to be those greater than 10% and \$2,000.

(i) Significant variances between estimated and actual result for 2008

	2008 Estimate \$	2008 Actual \$	Variation \$
Research Grants	2,350,000	1,894,382	455,618
Interest revenue	100,000	119,169	(19,169)
Revenue from Industry Sponsorship	1,848,000	997,077	(850,923)

- Research Grants was lower than the estimate due to a lower value of projects being processed during the year.
- Interest revenue was higher than the estimate due to commercial interest rates rising higher than anticipated.
- Revenue from Industry Sponsorship was lower than the estimate due to a lower value of projects being processed during the year.

(ii) Significant variances between actual results for 2007 and 2008

	2008 \$	2007 \$	Variance \$
Research Grants	2,203,949	1,883,002	320,947
Scholarships	50,000	29,987	20,013
Accommodation costs	31,500	25,200	6,300
Capital User Charge	-	34,000	(34,000)
Revenue from Industry Sponsorship	997,077	2,114,967	(1,117,890)
Interest revenue	119,169	76,736	42,433
Resources received free of charge	31,500	25,200	6,300

- Research Grants – the variance is due to an increase in the volume of the projects being processed during the year.
- Scholarships – the variance is due to an increase in the number of scholarships being awarded during the year.
- Accommodation costs – the variance is due to an increase in the notional rental charge.
- Capital User Charge – the variance is due to the cessation of the Capital User Charge arrangement. The final charge was levied in 2006-07.
- Revenue from Industry Sponsorship – the variance is due to a lower value of projects being processed during the year.
- Interest revenue - the variance is due to higher commercial interest rates than the previous year.
- Resources received free of charge – the variance is due to an increase in the notional rental charge.



Notes to the Financial Statements for the year ended 30 June, 2008

31. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Institute are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Institute has limited exposure to financial risks. The Institute's overall risk management program focuses on managing the risks identified below.

Credit Risk

Credit risk arises when there is the possibility of the Institute's receivables defaulting on their contractual obligations resulting in financial loss to the Institute. The Institute measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 31c.

The Institute trades only with recognised, creditworthy third parties. The Institute has policies in place to ensure that sale of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Institute's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client ratings. For financial assets that are either past due or impaired, refer to Note 21 'Receivables'.

Liquidity risk

The Institute is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Institute is unable to meet its financial obligations as they fall due.

The Institute has appropriate procedures to manage cash flows including draw downs of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet commitments.

Market risk

The Institute does not trade in foreign currency and is not materially exposed to other price risks. The Institute's exposure to market risk for changes in interest rates relate primarily to Short-term investments comprised of term deposits and bank bills. The risk is managed by the Institute through diversification and variation in maturity dates.

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2008 \$	2007 \$
Financial Assets		
Cash and cash equivalents	24,652	29,413
Restricted cash and cash equivalents	1,542,735	1,534,512
Loans and Receivables ^(a)	1,225,490	1,435,344
Financial Liabilities		
Financial liabilities measured at amortised cost	550,175	48,836

(a) The amount of Receivables excludes GST recoverable from the ATO (statutory receivable).



Notes to the Financial Statements for the year ended 30 June, 2008

(c) Financial Instrument disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposure

The following table details the Institute's exposure to liquidity risk and interest rate risk as at the balance sheet date. The Institute's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Institute. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

The Institute does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Institute does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

	Weighted average effective interest rate	Variable Interest Rate	Non- interest Bearing	Total
2008	%	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1.84	24,652	-	24,652
Restricted cash and cash equivalents	4.49	1,542,735	-	1,542,735
Receivables	-	-	1,225,490	1,225,490
Other assets	-	-	731	731
Total Financial Assets		1,567,387	1,226,221	2,793,608
Financial Liabilities				
Payables	-	-	55,000	55,000
Other liabilities	-	-	495,175	495,175
Total Financial Liabilities		-	550,175	550,175
<hr/>				
2007				
Financial Assets				
Cash and cash equivalents	2.12	29,413	-	29,413
Restricted cash and cash equivalents	4.33	1,534,512	-	1,534,512
Receivables	-	-	1,451,012	1,451,012
Other assets	-	-	5,880	5,880
Total Financial Assets		1,563,925	1,456,892	3,020,817
Financial Liabilities				
Payables	-	-	38,800	38,800
Other liabilities	-	-	10,036	10,036
Total Financial Liabilities		-	48,836	48,836

(a) The amount of Receivables excludes GST recoverable from the ATO (statutory receivable).



Notes to the Financial Statements for the year ended 30 June, 2008

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Institute's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount	-1% Profit	change Equity	+1% Profit	Change Equity
2008	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	24,652	(246)	(246)	246	246
Restricted cash and cash equivalents	1,542,735	(15,427)	(15,427)	15,427	15,427
2007					
Financial Assets					
Cash and cash equivalents	29,413	(294)	(294)	294	294
Restricted cash and cash equivalents	1,534,512	(15,345)	(15,345)	15,345	15,345

(a) The amount of Receivables excludes GST recoverable from the ATO (statutory receivable).

Fair values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

32. Remuneration of members of the Accountable Institute and Senior Officers

Remuneration of Members of the Accountable Institute

The number of members of the Accountable Institute whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2008	2007
\$ 0 - \$ 10,000	3	4
\$ 10,001 - \$ 20,000	1	1

The total remuneration of the members of the Accountable Institute is:

\$	\$
31,950	33,800

No amounts were paid or become payable to any superannuation fund for the financial year for any of the members of the Accountable Institute.

No members of the Accountable Institute are members of the Pension Scheme.



Notes to the Financial Statements for the year ended 30 June, 2008

32. Remuneration of members of the Accountable Institute and Senior Officers (Continued)

Remuneration of Senior Officers

The number of Senior Officers other than senior officers reported as members of the Accountable Institute whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

			2008	2007
\$ 0	-	\$10,000	1	-
\$ 30,001	-	\$ 40,000	-	1
\$ 40,001	-	\$ 50,000	1	-

The total remuneration of Senior Officers of the Accountable Institute is:

	\$	\$
	<u>51,628</u>	<u>37,949</u>

The total remuneration includes the superannuation expense incurred by the Institute in respect of Senior Officers other than senior officers reported as members of the Accountable Institute.

No Senior Officers are members of the Pension Scheme.

33. Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

	2008	2007
	\$	\$
Auditing the accounts, financial statements and performance indicators	11,800	11,800
	<u>11,800</u>	<u>11,800</u>

The expense is included at note 10 'Administration expenses'

34. Supplementary Information

The Institute has no contingent liabilities and contingent assets, or any related or affiliated bodies. There were no events occurring after reporting date, or write-offs or losses through theft, defaults and other causes. No gifts of public property were provided by the Institute.

35. Schedule of Income and Expenses by Service

Treasurer's Instruction 1101(9) requires that statutory authorities provide segment information in the form of services.

MERIWA has one sole activity (or service) which is to finance and coordinate minerals and energy research.

No schedule is prepared as this information is reported in the Income Statement.



Certification of Financial Statements
for the year ended 30 June 2008



Opinion of the Auditor General on Financial Statements for the year ended 30 June, 2008



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

MINERALS AND ENERGY RESEARCH INSTITUTE OF WESTERN AUSTRALIA FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the Minerals and Energy Research Institute of Western Australia.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Minerals and Energy Research Institute of Western Australia Financial Statements and Key Performance Indicators for the year ended 30 June 2008

Audit Opinion

In my opinion,

- (iv) the financial statements are based on proper accounts and present fairly the financial position of the Minerals and Energy Research Institute of Western Australia at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (v) the controls exercised by the Institute provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (vi) the key performance indicators of the Institute are relevant and appropriate to help users assess the Institute's performance and fairly represent the indicated performance for the year ended 30 June 2008


COLIN MURPHY
AUDITOR GENERAL
19 September 2008



MERIWA

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