



M E R I W A

MERIWA Annual Report 2008-2009

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.

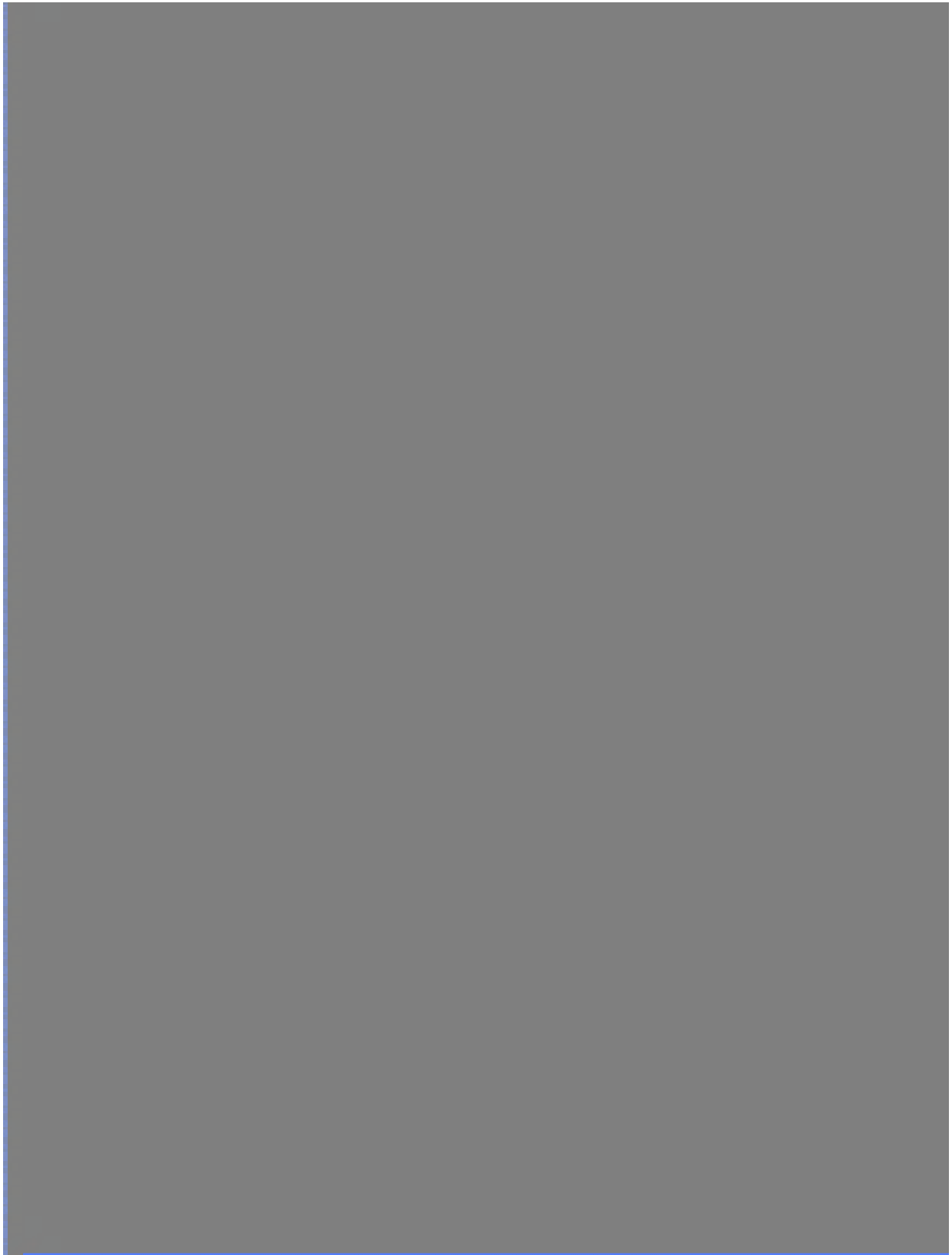
S R Baker
CHAIRMAN,
BOARD OF DIRECTORS

A Webster
DIRECTOR

10 September 2009



Functions





Structure



**MINISTER FOR MINES AND PETROLEUM
THE HON NORMAN MOORE MLC**

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)



Board of Directors' Report (Continued)

The image consists of a solid dark gray background. A single, thin, light blue vertical line runs from the top edge to the bottom edge, positioned exactly in the center of the frame.



Board of Directors' Report (Continued)

<p> Table 1 Demographic characteristics of the sample </p>	
<p> Sample size N = 1,000 </p>	
<p> Gender Male: 500 Female: 500 </p>	
<p> Age 18-24: 250 25-34: 250 35-44: 250 45-54: 250 </p>	
<p> Ethnicity White: 600 Black: 200 Hispanic: 150 Asian: 50 </p>	
<p> Education High School: 300 Bachelor's: 400 Master's: 150 Doctorate: 150 </p>	
<p> Income \$10,000-\$20,000: 200 \$20,000-\$30,000: 250 \$30,000-\$40,000: 250 \$40,000-\$50,000: 200 </p>	
<p> Marital Status Married: 400 Single: 300 Divorced: 150 Widowed: 150 </p>	
<p> Religion Christian: 600 Muslim: 150 Hindu: 100 Other: 150 </p>	
<p> Occupation Student: 150 Teacher: 100 Doctor: 50 Engineer: 50 Other: 550 </p>	
<p> Health Status Good: 600 Fair: 200 Poor: 200 </p>	
<p> Political Affiliation Democrat: 550 Republican: 250 Independent: 200 </p>	
<p> Residence Urban: 400 Suburban: 300 Rural: 300 </p>	
<p> Travel Frequency Daily: 150 Weekly: 200 Monthly: 250 Rarely: 400 </p>	
<p> Travel Purpose Business: 100 Leisure: 200 Education: 100 Other: 600 </p>	
<p> Travel Mode Car: 400 Plane: 200 Train: 100 Bus: 100 Other: 200 </p>	
<p> Travel Satisfaction Very Satisfied: 150 Satisfied: 250 Dissatisfied: 200 Very Dissatisfied: 400 </p>	
<p> Travel Frequency (by Age) 18-24: 100 25-34: 150 35-44: 100 45-54: 150 </p>	
<p> Travel Frequency (by Gender) Male: 150 Female: 150 </p>	
<p> Travel Frequency (by Education) High School: 100 Bachelor's: 150 Master's: 100 Doctorate: 150 </p>	
<p> Travel Frequency (by Income) \$10,000-\$20,000: 100 \$20,000-\$30,000: 150 \$30,000-\$40,000: 100 \$40,000-\$50,000: 150 </p>	
<p> Travel Frequency (by Marital Status) Married: 150 Single: 100 Divorced: 100 Widowed: 150 </p>	
<p> Travel Frequency (by Religion) Christian: 150 Muslim: 100 Hindu: 100 Other: 150 </p>	
<p> Travel Frequency (by Occupation) Student: 100 Teacher: 100 Doctor: 50 Engineer: 50 Other: 200 </p>	
<p> Travel Frequency (by Health Status) Good: 150 Fair: 100 Poor: 150 </p>	
<p> Travel Frequency (by Political Affiliation) Democrat: 150 Republican: 100 Independent: 150 </p>	
<p> Travel Frequency (by Residence) Urban: 150 Suburban: 100 Rural: 150 </p>	
<p> Travel Frequency (by Travel Mode) Car: 150 Plane: 100 Train: 100 Bus: 100 Other: 200 </p>	
<p> Travel Frequency (by Travel Purpose) Business: 100 Leisure: 150 Education: 100 Other: 200 </p>	
<p> Travel Frequency (by Travel Satisfaction) Very Satisfied: 100 Satisfied: 150 Dissatisfied: 100 Very Dissatisfied: 200 </p>	

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Industry sponsorship achieved
Target

Table 1. Demographic characteristics of the study population	
Characteristic	Frequency (%)
Age (years)	
< 18	12 (12.5)
18-24	28 (29.2)
25-34	35 (36.5)
35-44	22 (22.9)
45-54	13 (13.6)
55-64	8 (8.4)
65-74	5 (5.2)
75-84	3 (3.1)
85-94	2 (2.1)
95-104	1 (1.0)
Gender	
Male	45 (46.9)
Female	53 (55.1)
Ethnicity	
White	68 (70.8)
Black	15 (15.6)
Hispanic	12 (12.5)
Asian	8 (8.4)
Other	5 (5.2)
Marital status	
Married	42 (43.8)
Single	35 (36.5)
Divorced	18 (18.8)
Widowed	10 (10.4)
Education level	
High school or less	25 (26.1)
Some college	30 (31.2)
Bachelor's degree	35 (36.5)
Master's degree	10 (10.4)
PhD	5 (5.2)
Annual income	
< \$10,000	15 (15.6)
\$10,000-\$19,999	22 (22.9)
\$20,000-\$29,999	28 (29.2)
\$30,000-\$39,999	18 (18.8)
\$40,000-\$49,999	10 (10.4)
\$50,000-\$59,999	5 (5.2)
\$60,000-\$69,999	3 (3.1)
\$70,000-\$79,999	2 (2.1)
\$80,000-\$89,999	1 (1.0)
\$90,000-\$99,999	1 (1.0)
\$100,000+	1 (1.0)

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Operating Report

(Continued)

Effectiveness

The table below indicates that for every dollar of government funds expended on research in 2007/2008 (excluding scholarships), \$2.81 of research was commenced.

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Ratio of research value to government funds utilised	2.81	2.82	1.99	3.32	2.26

Efficiency

MERIWA's overall efficiency increased in 2008/2009 with slightly higher value of research commenced offset by higher administration costs. (Three year moving average).

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Administration cost as a percentage of value of research generated	8.23	9.09	12.18	10.41	8.14

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



Operating Report

TABLE 4: MERIWA Results

Factors	2008/09	2007/08	2006/07	2005/06	2004/05
PROJECTS					
Applications received	2	8	10	12	14
Projects approved	3	7	7	7	9
Projects completed	9	6	7	11	8
TECHNOLOGY TRANSFER					
No. reports published	9	6	7	11	8
No. microfiche issued or sold	2	2	8	0	1
No. hard copies issued or sold	121	83	99	150	78
No. CD ROM copies issued or sold	369	267	302	478	364
Other publications (Research News)	1	2	2	2	2
FUNDS UTILISED (\$'000)					
Budget appropriation	633	630	657	649	645
Interest on cash flow	89	119	77	76	83
Other income	3	3	3	3	3
Transferred from (to) reserves	487	(330)	725	39	(14)
Total Government funds utilised	1 212	422	1 462	767	717
Less administration costs	* 205	*211	*203	*190	*188
Funds utilised to support research	1 007	211	1 259	577	529
MERIWA GRANTS					
For research projects	641	222	725	747	551
For scholarship	40	50	30	60	30
Total grants	681	272	755	807	581
INDUSTRY SPONSORSHIP					
Total industry sponsorship coordinated through MERIWA	2 767	967	2 186	1 800	1 072
Total value of new research projects	3 408	1 189	2 911	2 547	1 623
Value of research generated to government funds utilised	2.81	2.82	1.99	3.32	2.26
Administration cost to value of research generated**	8.23%	9.09%	12.18%	10.41%	8.14%

* 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 Mines and Petroleum	Dr B Smith (Deputy Member)	Consulting Geologist - Geochemist (AMEC)
	Ms B S Bower	General Manager – Petroleum Tenure & Land Access
	* Dr R J Hart (Deputy Member)	Project Manager – Industry and Infrastructure Development
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	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	Program Manager, Impurity Removal, 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 2008/09

No.	Description	Unit	Rate	Amount	Total
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Reports Published in 2008/09

No.	Name	Sex	Age	Date	Time	Place	Height	Weight	Chest	Arm	Forearm	Hand	Foot	Finger	Nail	Skin	Hair	Teeth
1	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
2	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
3	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
4	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
5	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
6	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
7	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
8	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
9	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
10	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
11	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
12	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
13	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
14	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
15	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
16	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
17	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
18	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
19	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
20	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
21	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
22	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2
23	John Smith	M	25	1901	10	10	5' 10"	160	34	24	14	7	9	2 1/2	1/2	1/2	1/2	1/2



— **Reports Published in 2008/09** —





— Reports Published in 2008/09 —





Projects in Progress: 30 June 2009

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	474 000
M366	High resolution seismic monitoring in open pit mines	Prof Y Potvin	UWA/ACG	3	553 666	553 666
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	2 175 000
M384	Gold processing technology	Mr W Staunton	Murdoch	2½	140 800	140 900
M386	Broadening the application of seismic monitoring in Australian underground mines	Prof Y Potvin Dr D Heal	ACG	3	1 193 000	1 418 000
M388	Controls on platinum group element variation in mafic and ultramafic magmatic systems	Prof M Barley Dr S Barnes	UWA	3	75 000	75 000
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
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
M394	Integrating novel tools to mitigate total grazing pressure following fire and mining. 1: Olfactory fear cues	Dr M Parsons Mr K Dods	Murdoch	3	213 318	218 318
M395	Modelling of submarine landslides and their impact on pipelines	Dr D White Prof M Randolph	UWA	3	1 124 000	2 033 000
M396	Establishing a chronostratigraphic framework for the Devonian Canning Basin Reef Complex	Dr P Cawood Dr E Tohver	UWA	3	440 000	650 160
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
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	1 375 000



Projects in Progress: 30 June 2009

(Continued)

No.	Project Title	Applicants	Institute	Term (yrs)	Cash Cost (\$)	Notional Value (\$)
M400	On-site validation and implementation of new hylogging technologies – technology transfer and re-skilling	Dr T Roache Dr J Walshe	CSIRO	2	390 000	510 000
M401	Improving solvent extraction technology	Dr D Robinson	CSIRO	3	1 060 000	1 210 000
M402	Hydrogeochemical mapping of the Northeast Yilgarn	Dr D Gray Dr R Noble	CSIRO	15 mths	209 952	484 952
M405	Application of U-Th-Pb-He double-dating techniques to diamond exploration	Dr B McInnes Dr N Evans	CSIRO	2	188 800	628 800
M406	Advancing the strategic use of seismic data in mines	Prof Y Potvin Dr J Wesseloo	ACG	3	1 020 000	1 002 000



Financial Assistance from Industry

The following list is of companies and organisations which provided financial sponsorship in 2008/09 for projects in progress. The Board of Directors thank these groups for their sponsorship and support.

MINERALS RESEARCH

Agnew Gold Mining Company Pty Limited	Heron Resources Limited
Agnico-Eagle Mines Limited – LaRonde Division	Independence Group NL
Alcan International Ltd	Jindalee Resources Limited
Alcoa World Alumina Australia	Kalgoorlie Consolidated Gold Mines Pty Ltd
Anglo American PLC	Kimberley Diamond Company
AngloGold Ashanti Australia Limited	Kirkland Lake Gold Inc.
ARC Energy Limited (<i>now</i> Buru Energy Limited)	Maximus Resources
Auriongold Exploration Pty Ltd	Mega Redport Pty Ltd
Australian Mineral Fields	Mt Magnet Gold NL
Avoca Resources Limited	Newcrest Mining Limited, Cadia Valley Operations
Barrick Gold of Australia Limited	Newcrest Mining Limited, Telfer Gold Mine
Barrick Gold – Darlot Gold Mine	Newmont Mining Corporation
Barrick Gold – Granny Smith	Newmont Mining Corporation Asia Pacific
Barrick Gold – Lawlers Gold Mine	North Australian Diamonds Ltd
Barrick Gold – Plutonic Gold Mine	NT Geological Survey
Beaconsfield Mine Joint Venture	Oxiana Limited
BHP Billiton Minerals	Parker Centre Limited
BHP Billiton Petroleum Pty Ltd	Perilya Broken Hill Limited
BHP Billiton – Ravensthorpe Nickel Operations	Petróleo Brasileiro S.A. - PETROBRAS
BHP Billiton Worsley Alumina Pty Ltd	Regalpoint Exploration Pty Ltd
BP Exploration Operating Company	Rio Tinto Iron Ore
Cameco Australia Pty Ltd	Shell Development (Australia) Pty Ltd
Cazaly Resources Ltd	Tanami Gold NL
Central Chemical Consulting Pty Ltd	Thundelarra Exploration Ltd
Chevron Australia Pty Ltd	Tiwest Pty Ltd
Chevron Energy Technology Company	Toro Energy Limited
Crescent Gold Limited	Troy Resources NL
Cullen Resources Limited	Vale Exploration
Echo Resources Limited	Venture Minerals Ltd
Emu Nickel NL	Verve Energy
Encounter Resources Ltd	Windy Knob Resources Ltd
Flinders Diamonds Ltd	Woodside Energy Ltd
Geological Survey of Western Australia	Worsley Alumina Pty Ltd
Gold Fields Australia (Pty) Limited – S.I.G.M.	Xstrata Copper - Kidd Creek Mine



Audited Statements

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Efficiency Indicator – Service	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
\$cost per minerals research grant administered	10 226	8 435	8 114	7 922	6 497
Target	10 000	10 000	10 000	10 000	10 000



Certification of Performance Indicators
for the year ended 30 June 2009





Opinion of the Auditor General on Performance Indicators for the year ended 30 June, 2009



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 2009

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 2009, 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 www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.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 2009

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 2009 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 2009.

COLIN MURPHY
AUDITOR GENERAL
10 September 2009



Income Statement for the year ended 30 June 2009

	Note	2009	2008
		\$	\$
COST OF SERVICES			
Expenses			
Research grants	4	2,823,865	2,203,949
Scholarships	5	26,555	50,000
Employee benefits expense	6	120,271	121,987
Board and committee fees and costs	7	34,828	37,537
Administration expenses	8	17,919	19,856
Accommodation expenses	9	31,500	31,500
Depreciation expense	10	795	901
Total Cost of Services		3,055,733	2,465,730
Income			
Interest Revenue	11	88,689	119,169
Other Revenue	12	2,714	3,101
Revenue from Industry Sponsorship	13	2,786,935	997,077
Total income other than income from State Government		2,878,338	1,119,347
NET COST OF SERVICES		177,395	1,346,383
INCOME FROM STATE GOVERNMENT			
Service Appropriation	14	633,000	630,000
Resources received free of charge	15	31,500	31,500
Total income from State Government		664,500	661,500
SURPLUS/(DEFICIT) FOR THE PERIOD		487,105	(684,883)

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



Balance Sheet as at 30 June 2009

	Note	2009	2008
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	16 25	7,525	24,652
Restricted cash and cash equivalents	17 25	2,485,191	1,542,735
Receivables	18	1,299,150	1,028,757
Other Current Assets	19	38,693	730
Total current assets		3,830,559	2,596,874
Non-current Assets			
Receivables	18	35,000	241,300
Plant and equipment	20	1,061	1,856
Total non-current assets		36,061	243,156
TOTAL ASSETS		3,866,620	2,840,030
LIABILITIES			
Current liabilities			
Payables	22	728,508	55,000
Other Current Liabilities	23	361,152	495,175
Total current liabilities		1,089,660	550,175
TOTAL LIABILITIES		1,089,660	550,175
NET ASSETS		2,776,960	2,289,855
EQUITY			
Accumulated Surplus	24	2,776,960	2,289,855
TOTAL EQUITY		2,776,960	2,289,855

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



Statement of Changes in Equity

for the year ended 30 June, 2009

	Note	2009	2008
		\$	\$
Balance of equity at start of period		2,289,855	2,974,738
Accumulated Surplus	24		
Balance at start of period		2,289,855	2,974,738
Surplus/(deficit) for the period		487,105	(684,883)
Balance at end of period		2,776,960	2,289,855
Balance of equity at end of period		2,776,960	2,289,855
Total income and expense for the period		487,105	(684,883)

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



Cash Flow Statement for the year ended 30 June, 2009

	Note	2009	2008
		\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	2(d)	793,250	630,000
Net cash provided by State Government		793,250	630,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Research Grant payments		(2,274,538)	(2,237,749)
Employee benefits		(118,726)	(122,891)
Other Operating Payments		(53,180)	(56,736)
GST Payments on Purchases		(224,641)	(221,663)
GST payments to Taxation Institute		-	(5,187)
Receipts			
Receipts from Sponsors		2,478,617	1,738,596
Interest received		84,427	124,319
Other receipts		2,714	3,101
GST receipts on sales		224,330	151,672
GST receipts from Taxation Institute		13,076	-
Net cash provided by/(used in) operating activities	25 (b)	132,079	(626,538)
Net increase/(decrease) in cash and cash equivalents		925,329	3,462
Cash and cash equivalents at the beginning of period		1,567,387	1,563,925
Cash and cash equivalents at the end of period	25 (a)	2,492,716	1,567,387

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



Notes to the Financial Statements for the year ended 30 June, 2009

1. Australian equivalents to International Financial Reporting Standards

General

The Institute's financial statements for the year ended 30 June 2009 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 2009.

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 at 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:

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.

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.

(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.

For items of plant and equipment acquired at no cost or for nominal cost, the cost is 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, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

Upon disposal or derecognition 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 23 '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, 2009

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 with original maturity 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.

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 20 '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 24 '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.



Notes to the Financial Statements for the year ended 30 June, 2009

(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. 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 2008 that impacted on the Institute:

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by Government Departments' and AAS 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';
- AASB 1050 'Administered Items';
- AASB 1051 'Land Under Roads';
- AASB 1052 'Disaggregated Disclosures';
- 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];and
- Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance (for example, Australian Guidance to AASB 116 'Property, Plant and Equipment' in relation to heritage and cultural assets has been introduced), otherwise there is no financial impact.



Notes to the Financial Statements for the year ended 30 June, 2009

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 early 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:

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 non-owner changes in equity. The Institute does not expect any financial impact when the Standard is first applied.	1 January 2009
AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]'. This Standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Authority where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Authority does not expect any financial impact when the Standard is first applied prospectively.	1 July 2009
AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]'. This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. The Institute does not expect any financial impact when the Standard is first applied.	1 January 2009

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.



Notes to the Financial Statements

for the year ended 30 June, 2009

4. Research Grants

	2009 \$	2008 \$
Research Grants – MERIWA	598,060	423,215
Research Grants – Industry Sponsorship	2,225,805	1,780,734
	<u>2,823,865</u>	<u>2,203,949</u>

5. Scholarships

Scholarships	26,555	50,000
	<u>26,555</u>	<u>50,000</u>

6. Employee benefits expenses

Institute Contract Staff fees	110,340	111,915
Superannuation	9,931	10,072
	<u>120,271</u>	<u>121,987</u>

7. Board and committee fees and costs

Board of Director's remuneration	32,550	31,950
Advisory Committee attendance fees	1,960	4,000
Board and Advisory Committee's expenses	318	1,587
	<u>34,828</u>	<u>37,537</u>

8. Administration expenses

Printing and Stationery	1,020	1,336
Advertising	1,055	-
Audit fees	13,000	11,800
Worker's Compensation premium	-	788
Other	2,844	5,932
	<u>17,919</u>	<u>19,856</u>

9. Accommodation expenses

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

10. Depreciation expense

Plant and Equipment	795	901
	<u>795</u>	<u>901</u>

11. Interest Revenue

Interest on Investments – Term Deposits	88,689	119,169
	<u>88,689</u>	<u>119,169</u>

12. Other Revenue

Sale of Publications	2,714	3,101
	<u>2,714</u>	<u>3,101</u>



Notes to the Financial Statements for the year ended 30 June, 2009

	2009 \$	2008 \$
13. Revenue from Industry Sponsorship		
Sponsorship from Industry	2,786,935	997,077
	<u>2,786,935</u>	<u>997,077</u>
14. Income from State Government		
Service appropriation received during the year	633,000	630,000
	<u>633,000</u>	<u>630,000</u>
Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue is comprised of a cash component.		
15. 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 Mines and Petroleum - accommodation	31,500	31,500
	<u>31,500</u>	<u>31,500</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 measured and which would have been purchased if not donated, and those fair values shall be recognised as expenses. Where the contributions of services are in the nature of contributions by owners the Institute makes an adjustment direct to equity.		
16. Cash and cash equivalents		
Cash at bank	7,325	24,452
Cash on hand	200	200
	<u>7,525</u>	<u>24,652</u>
17. Restricted cash and cash equivalents		
Research Grants	2,485,191	1,542,735
	<u>2,485,191</u>	<u>1,542,735</u>

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



Notes to the Financial Statements for the year ended 30 June, 2009

	2009 \$	2008 \$
18. Receivables		
<u>Current</u>		
Grants Receivable – Sponsorship	1,181,557	984,190
GST Receivable	117,593	44,567
Total Current	<u>1,299,150</u>	<u>1,028,757</u>
<u>Non – Current</u>		
Grants Receivable – Sponsorship	35,000	241,300
Total Non-current	<u>35,000</u>	<u>241,300</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, 2(d) 'Sponsorship Revenue', and note 30 'Financial Instruments'		

19. Other Current Assets

Accrued Interest on Short Term Investments	4,993	730
Prepayments	33,700	-
	<u>38,693</u>	<u>730</u>

20. Plant and equipment

Plant and equipment		
At cost	8,970	8,970
Accumulated depreciation	(7,909)	(7,114)
	<u>1,061</u>	<u>1,856</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	1,856	2,757
Depreciation	(795)	(901)
Carrying amount at end of year	<u>1,061</u>	<u>1,856</u>

21. Impairment of assets

There were no indications of impairment to plant and equipment assets at 30 June 2009.
The Institute held no goodwill or intangible assets or surplus assets at balance sheet date.

22. Payables

<u>Current</u>		
Grants Payable – Research	702,960	10,000
Grants Payable – Scholarship	25,548	45,000
Total Current	<u>728,508</u>	<u>55,000</u>

See also note 2(j) 'Payables and Accrued Expense, 2(k) 'Research Grants', 2(l) 'Scholarships' and note 30 'Financial Instruments'



Notes to the Financial Statements for the year ended 30 June, 2009

	2009 \$	2008 \$
23. Other Current Liabilities		
Accrued Expenses		
Institute contract staff fees	9,794	8,378
Superannuation	882	754
Printing and stationery	53	190
Committee expenses	41	316
Other miscellaneous	132	151
	<u>10,902</u>	<u>9,789</u>
Revenue received in advance		
Appropriation revenue received in advance	160,250	-
Grants Received in advance - Sponsorship	190,000	485,386
	<u>350,250</u>	<u>485,386</u>
	<u>361,152</u>	<u>495,175</u>

24. 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	2,289,855	2,974,738
Result for the period	487,105	(684,883)
Balance at end of period	<u>2,776,960</u>	<u>2,289,855</u>

25. 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	7,325	24,452
Cash on hand	200	200
Restricted Cash and cash equivalents	2,485,191	1,542,735
	<u>2,492,716</u>	<u>1,567,387</u>

(b) Reconciliation of Net Cost of Services to Net Cash Flows provided by / (used in) Operating Activities

Net cost of services	(177,395)	(1,346,383)
Non-cash items:		
Resources received free of charge	31,500	31,500
Depreciation	795	901
(Increase)/Decrease in assets:		
Accrued Interest	(4,263)	5,150
Grants Receivable – Sponsorship	8,933	209,854
Prepayments	(33,700)	-
Increase/(Decrease) in liabilities:		
Grants Payable -Research	673,508	16,200
Grants Payable –Scholarship		
Sponsorship received in advance	(295,386)	485,386
Accrued expenses	1,113	(247)
Net GST (receipts)/payments	12,765	(75,178)
Change in GST in receivables/payables	(85,791)	46,279
Net Cash used in operating activities	<u>132,079</u>	<u>(626,538)</u>



Notes to the Financial Statements for the year ended 30 June, 2009

26. Commitments

At balance sheet date the Institute has \$3,286,519 (2008 \$2,363,182) of research grant commitments that are not recognised as liabilities. 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	2,454,519	1,425,019
Later than 1 year but not later than 5 years	832,000	938,163
Total	<u>3,286,519</u>	<u>2,363,182</u>

These commitments are not inclusive of GST

27. Contingent Liabilities and Contingent Assets

MERIWA does not have any contingent liabilities and contingent assets.

28. Events Occurring after the Balance Sheet date

No information has become apparent since balance sheet day, which materially affects the financial statements.

29. 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 2009

	2009 Estimate \$	2009 Actual \$	Variation \$
Research Grants	2,335,000	2,823,865	(488,865)
Scholarships	50,000	26,555	23,445
Board and Committee fees and costs	39,000	34,828	4,172
Administration costs	22,000	17,919	4,081
Interest revenue	100,000	88,689	11,311
Other Revenue	5,000	2,714	2,286
Revenue from Industry Sponsorship	1,833,000	2,786,935	(953,935)

- Research Grants was higher than the estimate due to a greater value of projects being processed during the year.
- Scholarships was lower than the estimate due to a lower number of scholarships granted than planned.
- Board and Committee fees and costs are lower than the estimate due to fewer meetings being held throughout the year.
- Administration costs were lower due to lower one-off expenses being required during the year.
- Interest revenue was lower than the estimate due to commercial interest rates falling quicker than was expected.
- Other revenue was lower than the estimate due to a lower level of report sales being requested than expected.
- Revenue from Industry Sponsorship was higher than the estimate due to a greater value of projects being processed during the year than expected.



Notes to the Financial Statements for the year ended 30 June, 2009

(ii) Significant variances between actual results for 2008 and 2009

	2009 \$	2008 \$	Variance \$
Research Grants	2,823,865	2,203,949	619,916
Scholarships	26,555	50,000	(23,445)
Interest revenue	88,689	119,169	(30,480)
Revenue from Industry Sponsorship	2,786,935	997,077	1,789,858

- Research Grants – the variance is due to an increase in the number and value of the projects being processed during the year.
- Scholarships – the variance is due to a decrease in the number of scholarships being awarded during the year.
- Interest revenue - the variance is due to lower commercial interest rates than the previous year.
- Revenue from Industry Sponsorship – the variance is due to a higher value of projects being processed during the year.

30. 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.

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 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 30(c) 'Financial Instrument Disclosures' and Note 18 'Receivables'.

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. At balance sheet date there are no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 30 (c) 'Financial Instrument Disclosures'.

Liquidity risk

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

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Institute's income or the value of its holdings of financial instruments. 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.



Notes to the Financial Statements for the year ended 30 June, 2009

(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:

	2009 \$	2008 \$
Financial Assets		
Cash and cash equivalents	7,525	24,652
Restricted cash and cash equivalents	2,485,191	1,542,735
Loans and Receivables ^(a)	1,216,557	1,225,490
Financial Liabilities		
Financial liabilities measured at amortised cost	1,089,660	550,175

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

(c) Financial Instrument disclosures

Credit Risk and Interest Rate Risk Exposure

The following table disclose the Institute's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Institute's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Institute.

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.

Interest rate exposure and ageing analysis of financial assets ^(a)

	Weighted average effective interest rate %	Interest rate exposure		Non- interest Bearing	Past due but not impaired		
		Carrying Amount	Variable Interest Rate		Up to 3 months	3 – 12 months	More than 1 year
		\$	\$	\$	\$	\$	\$
Financial Assets							
2009							
Cash and cash equivalents	2.28	7,525	7,525				
Restricted cash and cash equivalents	2.75	2,485,191	2,485,191				
Receivables		1,216,557		1,216,557	52,500	21,500	
Other assets		38,693		38,693			
Total		3,747,966	2,492,716	1,255,250	52,500	21,500	-



Notes to the Financial Statements for the year ended 30 June, 2009

Interest rate exposure and ageing analysis of financial assets ^(a)

	Weighted average effective interest rate %	Interest rate exposure		Non- interest Bearing	Past due but not impaired		
		Carrying Amount	Variable Interest Rate		Up to 3 months	3 – 12 months	More than 1 year
		\$	\$	\$	\$	\$	\$
2008							
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	50,500	238,000	
Other assets	-	731	-	731			
Total		2,793,608	1,567,387	1,226,221	50,500	238,000	-

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

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities ^(a)

	Weighted average effective interest rate %	Interest rate exposure		Non- interest Bearing	Maturity dates		
		Carrying Amount	Variable Interest Rate		Up to 3 months	3 – 12 months	More than 1 year
		\$	\$	\$	\$	\$	\$
Financial Liabilities							
2009							
Payables	-	728,508		728,508	728,508		
Other Liabilities	-	361,152		361,152	361,152		
Total		1,089,660		1,089,660	1,089,660	-	-
2008							
Payables	-	55,000		55,000	55,000		
Other Liabilities	-	495,175		495,175	495,175		
Total		550,175	-	550,175	550,175	-	-

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.



Notes to the Financial Statements for the year ended 30 June, 2009

	Carrying Amount	-1% Profit	change Equity	+1% Profit	Change Equity
2009	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	7,525	(75)	(75)	75	75
Restricted cash and cash equivalents	2,485,191	(24,852)	(24,852)	24,852	24,852
<hr/>					
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

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.

31. Remuneration of members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

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

	2009	2008
\$ 0 - \$ 10,000	2	3
\$ 10,001 - \$ 20,000	1	1

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

\$	\$
32,550	31,950

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

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



Notes to the Financial Statements for the year ended 30 June, 2009

Remuneration of Senior Officers

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

			2009	2008
\$ 0	-	\$10,000	-	1
\$ 40,001	-	\$ 50,000	1	1

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

\$	\$
42,674	51,628

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 Authority.

No Senior Officers are members of the Pension Scheme.

32. Remuneration of Auditor

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

	2009	2008
	\$	\$
Auditing the accounts, financial statements and performance indicators	13,000	11,800
	13,000	11,800

The expense is included at note 10 'Administration expenses'

33. 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 2009



Opinion of the Auditor General on Financial Statements for the year ended 30 June, 2009



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 2009

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 2009, 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 www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.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 2009

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 2009 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 2009.

COLIN MURPHY
AUDITOR GENERAL
10 September 2009



MERIWA

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