



# Financial Statements and Notes

# Financial Statements and Notes

## Certification of Financial Statements

**For the year ended 30 June 2024**

The accompanying financial statements of the Minerals Research Institute of Western Australia (MRIWA or the Institute) have been prepared in compliance with the provisions of the *Financial Management Act 2006* (WA) from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2024 and the financial position as at 30 June 2024.

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



Miriam Stanborough  
Chairperson of the Board

Date: 19 August 2024



Linda Tompkins  
Deputy Chairperson of the Board

Date: 19 August 2024



Nicole Roocke  
Chief Financial Officer

Date: 19 August 2024



## Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT  
2024

Minerals Research Institute of Western Australia

To the Parliament of Western Australia

### Report on the audit of the financial statements

#### Opinion

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

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Minerals Research Institute of Western Australia for the year ended 30 June 2024 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

#### Basis for opinion

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

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

Page 1 of 6

7<sup>th</sup> Floor Albert Foye House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

#### Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Page 2 of 6



# Financial Statements and Notes

## Report on the audit of controls

### Opinion

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

In my opinion, in all material respects, the controls exercised by the Minerals Research Institute of Western Australia are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2024, and the controls were implemented as designed as at 30 June 2024.

### The Board's responsibilities

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

### Auditor General's responsibilities

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

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

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

## Limitations of controls

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

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Minerals Research Institute of Western Australia for the year ended 30 June 2024 reported in accordance with *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Minerals Research Institute of Western Australia for the year ended 30 June 2024 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Institute's performance and fairly represent indicated performance for the year ended 30 June 2024.

### The Board's responsibilities for the key performance indicators

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

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

### Auditor General's responsibilities

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



# Financial Statements and Notes

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

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

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

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

## Other information

Those charged with governance are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial statements, key performance indicators and my auditor's report.

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Minerals Research Institute of Western Australia for the year ended 30 June 2024 included in the annual report on the Institute's website. The Institute's management is responsible for the integrity of the Institute's website. This audit does not provide assurance on the integrity of the Institute's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Aram Madnack  
Acting Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
29 August 2024



# Financial Statements and Notes

## Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024	2023
			\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Research grants		4,115,858	5,291,879
Scholarships and awards		208,937	299,655
Employee benefits expense	2.1.1	1,565,128	1,259,564
Board and committee fees and costs	2.2	122,296	112,201
Supplies and services	2.3	463,804	529,435
Other expenses	2.3	119,354	93,589
Accommodation expenses		213,306	109,894
Depreciation expense	4.1	277	-
<b>Total cost of services</b>		<b>6,808,960</b>	<b>7,696,217</b>
<b>Income</b>			
<b>Revenue &amp; Income</b>			
Interest revenue		808,381	477,856
Other revenue	3.3	189,408	266,308
Revenue from Sponsorship	3.2	925,108	1,751,225
<b>Total Revenue &amp; Income</b>		<b>1,922,897</b>	<b>2,495,389</b>
<b>Total income other than income from State Government</b>		<b>1,922,897</b>	<b>2,495,389</b>
<b>NET COST OF SERVICES</b>		<b>4,886,063</b>	<b>5,200,828</b>

	Notes	2024	2023
		\$	\$
<b>Income from State Government</b>			
State Government Grant	3.1	7,631,000	6,915,000
Resources received free of charge	3.1	217,216	110,034
<b>Total income from State Government</b>		<b>7,848,216</b>	<b>7,025,034</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>2,962,153</b>	<b>1,824,206</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,962,153</b>	<b>1,824,206</b>

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



# Financial Statements and Notes

## Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1.1	11,619,509	7,225,344
Restricted cash and cash equivalents	6.1.2	8,091,798	8,835,922
Receivables	5.1	685,730	489,901
Other current assets	5.2	237,050	179,752
<b>Total Current Assets</b>		<b>20,634,087</b>	<b>16,730,919</b>
<b>Non-Current Assets</b>			
Office equipment	4.1	12,723	-
<b>Total Non-Current assets</b>		<b>12,723</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>20,646,810</b>	<b>16,730,919</b>

	Notes	2024 \$	2023 \$
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.3	392,597	77,445
Employee benefit provisions - Current	2.1.2	181,466	81,243
Deferred income	5.4	2,844,957	2,275,266
<b>Total Current Liabilities</b>		<b>3,419,020</b>	<b>2,433,954</b>
<b>Non-Current Liabilities</b>			
Employee benefit provisions - Non-Current	2.1.2	57,855	89,183
<b>Total Non-Current Liabilities</b>		<b>57,855</b>	<b>89,183</b>
<b>TOTAL LIABILITIES</b>		<b>3,476,875</b>	<b>2,523,137</b>
<b>NET ASSETS</b>		<b>17,169,935</b>	<b>14,207,782</b>
<b>EQUITY</b>			
Accumulated surplus	8.8	17,169,935	14,207,782
<b>TOTAL EQUITY</b>		<b>17,169,935</b>	<b>14,207,782</b>

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



# Financial Statements and Notes

## Statement of Changes in Equity

For the year ended 30 June 2024

	Notes	Accumulated Surplus \$
<b>Balance at 1 July 2022</b>		12,383,576
Surplus for the period	8.8	1,824,206
<b>Balance at 30 June 2023</b>		<b>14,207,782</b>
<b>Balance at 1 July 2023</b>		14,207,782
Surplus for the period	8.8	2,962,153
<b>Balance at 30 June 2024</b>		<b>17,169,935</b>

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





# Financial Statements and Notes

## Statement of Cash Flows

For the year ended 30 June 2024

Notes	2024 \$	2023 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
State Government Grant	7,631,000	6,915,000
<b>Net cash provided by State Government</b>	<b>7,631,000</b>	<b>6,915,000</b>
Utilised as follows:		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Research Grant Payments and Scholarship	(4,055,334)	(5,591,534)
Employee benefits	(1,481,710)	(1,263,045)
Board and Advisory committee fees	(65,965)	(49,468)
Supplies, Services and Other Expenses	(536,895)	(622,422)
GST paid on purchases	(436,976)	(596,872)
<b>Receipts</b>		
Receipts from Sponsors	1,089,390	720,109
Receipts from Events	155,577	236,075
Interest received	739,899	377,086
GST received on sales	208,225	112,265
Net GST refunded from ATO (or paid)	415,830	569,989
<b>Net cash used in operating activities</b>	<b>(3,967,959)</b>	<b>(6,107,817)</b>

Notes	2024 \$	2023 \$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments</b>		
Purchase of non-current assets	(13,000)	-
<b>Net cash used in investing activities</b>	<b>(13,000)</b>	
Net increase in cash and cash equivalents		
	3,650,041	807,183
Cash and cash equivalents at the beginning of the period		
	16,061,266	15,254,083
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>19,711,307</b>	<b>16,061,266</b>
6.1.1		

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



# Financial Statements and Notes

## Notes to the Financial Statements

### For the year ended 30 June 2024

#### *Note 1. Basis of preparation*

The Institute is a Government not-for-profit entity controlled by the State of Western Australia, which is the ultimate parent.

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

These annual financial statements were authorised for issue by the accountable authority of the Institute on 19 August 2024.

#### *Statement of compliance*

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

The Act and Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

#### *Basis of preparation*

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

#### *Judgements and estimates*

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

#### *Accounting for Goods and Services Tax (GST)*

Income, expenses, and assets are recognised net of the amount of Goods and Services Tax (GST), except that the:

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

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

#### *Comparative Information*

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

- Property, Plant and Equipment reconciliations.



# Financial Statements and Notes

## Note 2. Use of our funding

### Expenses incurred in the delivery of services

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

	Notes	2024 \$	2023 \$
Research grants		4,115,858	5,291,879
Scholarships and awards		208,937	299,655
Employee benefits expenses	2.1.1	1,565,128	1,259,564
Employee benefits provisions	2.1.2	239,321	170,426
Board and committee fees and costs	2.2	122,296	112,201
Other expenditure	2.3	583,158	623,024
Accommodation expenses		213,306	109,894

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

**Scholarships and awards expense** represents the Institute's obligation to fund approved scholarships and costs associated with its various award programs.

**Accommodation expense** represents the Institute's rental expense.

## 2.1.1 Employee benefits expenses

	2024 \$	2023 \$
Wages and salaries	1,170,333	902,581
Executive Salaries <sup>(b)</sup>	234,568	227,770
Superannuation - defined contribution plans <sup>(a)</sup>	160,227	129,213
	<b>1,565,128</b>	<b>1,259,564</b>

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

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

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

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

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



# Financial Statements and Notes

## 2.1.2 Employee related provisions

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

	2024	2023
	\$	\$
<b>Current</b>		
Annual leave <sup>(a)</sup>	94,568	81,243
Long service leave <sup>(b)</sup>	86,898	-
	<b>181,466</b>	<b>81,243</b>
<b>Non-Current</b>		
Long service leave <sup>(c)</sup>	57,855	89,183
	<b>57,855</b>	<b>89,183</b>
	<b>239,321</b>	<b>170,426</b>

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

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

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

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

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

### Key sources of estimation uncertainty – long service leave

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

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

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

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



## Financial Statements and Notes

### 2.2 Board and committee fees and costs

	2024	2023
	\$	\$
Board of Directors' remuneration	94,951	80,024
Advisory Committee attendance fees	20,808	27,429
Board and Advisory Committee's expenses	6,537	4,748
	<b>122,296</b>	<b>112,201</b>

### 2.3 Other expenditure

	2024	2023
	\$	\$
<b>Supplies and services</b>		
Printing and stationery	15,650	8,438
Advertising	-	1,655
Communications	20,489	23,908
Business travel	5,874	24,327
Accounting services	119,123	119,859
Consultants	38,965	77,185
Legal services	12,185	25,862
Insurance	18,158	15,195
Events	165,693	164,484
Subscriptions	36,865	34,294
Other	30,802	34,228
<b>Total supplies and services</b>	<b>463,804</b>	<b>529,435</b>
<b>Other expenses</b>		
Audit fees	40,750	36,300
Loss allowance	-	-
Employee expenses	70,885	39,522
Workers Compensation	6,579	4,768
Office fit out	1,140	12,999
	<b>119,354</b>	<b>93,589</b>
<b>Total other expenditure</b>	<b>583,158</b>	<b>623,024</b>



# Financial Statements and Notes

## 2.3 Other expenditure (continued)

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

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

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

## Note 3. Our funding sources

### How we obtain our funding

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

	Notes	2024 \$	2023 \$
Income from State Government	3.1	7,848,216	7,025,034

### 3.1 Income from State Government

	2024 \$	2023 \$
State Government Grants	7,631,000	6,915,000
	<b>7,631,000</b>	<b>6,915,000</b>

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

	2024 \$	2023 \$
Department of Energy, Mines, Industry Regulation and Safety	213,306	109,894
State Solicitors Office	3,910	140
	<b>217,216</b>	<b>110,034</b>
	<b>7,848,216</b>	<b>7,025,034</b>

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



# Financial Statements and Notes

## 3.1 Income from State Government (continued)

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

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

## 3.2 Income from Industry Sponsorship

	2024	2023
	\$	\$
Sponsorship income	925,108	1,751,225

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

## 3.3 Other Revenue

	2024	2023
	\$	\$
Misc. Revenue	56,331	62,733
Conference Sponsorship	57,500	102,550
Event Ticket Sales	75,577	101,025
	<b>189,408</b>	<b>266,308</b>

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



# Financial Statements and Notes

## Note 4. Key assets

This section includes information regarding the key assets the Institute utilises to gain economic benefit or provide service potential. The section sets out both the key accounting policies and financial information about the performance of those assets.

	Notes	2024 \$	2023 \$
Office equipment	4.1	12,723	-

### 4.1 Office Equipment

	2024 \$	2023 \$
<b>Office equipment</b>		
At cost	13,000	-
Accumulated depreciation	(277)	-
	<b>12,723</b>	-
<b>Office equipment</b>		
Carrying amount at start of period	-	-
Additions	13,000	-
Depreciation	(277)	-
<b>Carrying amount at end of period</b>	<b>12,723</b>	-

**Initial recognition:** Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of office equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

**Subsequent measurement:** All office equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

**Useful lives:** 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 on straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The expected useful life for office equipment is 3 to 7 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

**Impairment:** There were no indications of impairment to office equipment at 30 June 2024. MRIWA held no goodwill or intangible assets with an indefinite useful life during the reporting period.

Non-financial assets are tested for impairment whenever there is an indication that the asset may be impaired. 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.





# Financial Statements and Notes

## Note 5. Other assets and liabilities

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

	Notes	2024 \$	2023 \$
Receivables	5.1	685,730	489,901
Other current assets	5.2	237,050	179,752
Payables	5.3	392,597	77,445
Deferred income	5.4	2,844,957	2,275,266

### 5.1 Receivables

	2024 \$	2023 \$
<u>Current</u>		
Grant Receivables - Sponsorship	510,815	176,000
Allowance for impairment of trade receivables	-	-
	<b>510,815</b>	<b>176,000</b>
GST receivable	174,915	313,901
	<b>685,730</b>	<b>489,901</b>

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

### 5.2 Other current assets

	2024 \$	2023 \$
Interest Receivable	206,893	138,411
Prepayments	30,157	41,341
	<b>237,050</b>	<b>179,752</b>

Revenue is recognised as the interest accrues.

### 5.3 Payables

	2024 \$	2023 \$
<u>Current</u>		
Accrued general expenses	357,752	57,123
Accrued salaries	34,845	20,322
	<b>392,597</b>	<b>77,445</b>

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

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

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



# Financial Statements and Notes

## 5.4 Deferred Income

	2024	2023
	\$	\$
Deferred Income - Sponsorship	2,844,957	2,275,266
	<b>2,844,957</b>	<b>2,275,266</b>

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

## Note 6. Financing

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

	Notes	2024	2023
		\$	\$
Cash and cash equivalents	6.1.1	11,619,509	7,225,344
Restricted cash and cash equivalents	6.1.2	8,091,798	8,835,922
Commitments	6.2	10,283,279	10,979,346

## 6.1 Cash and cash equivalents

### 6.1.1 Reconciliation of cash

	2024	2023
	\$	\$
Cash and cash equivalents	11,619,509	7,225,344
Restricted cash and cash equivalents - current	8,091,798	8,835,922
	<b>19,711,307</b>	<b>16,061,266</b>

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



# Financial Statements and Notes

## 6.1.2 Restricted cash and cash equivalents

	2024	2023
	\$	\$
Research grants	7,461,417	8,383,360
Scholarships	630,381	452,562
	<b>8,091,798</b>	<b>8,835,922</b>

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

## 6.2 Commitments

	2024	2023
	\$	\$
<b>Other expenditure commitments</b>		
Within 1 year	7,816,611	7,192,483
Later than 1 year and not later than 5 years	2,153,168	3,302,363
Later than 5 years	313,500	484,500
	<b>10,283,279</b>	<b>10,979,346</b>

The total presented for other expenditure commitments are GST exclusive.

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



# Financial Statements and Notes

## Note 7. Financial instruments and contingencies

This note sets out the financial instruments and contingencies of the Institute.

	Notes
Financial Instruments	7.1
Contingent Liabilities and Assets	7.2

### 7.1 Financial instruments

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

	2024 \$	2023 \$
<b>Financial assets</b>		
Cash and cash equivalents	11,619,509	7,225,344
Restricted cash and cash equivalents	8,091,798	8,835,922
Receivables <sup>(a)</sup>	510,815	176,000
Other current assets	237,050	179,752
<b>Total financial assets</b>	<b>20,459,172</b>	<b>16,417,018</b>
<b>Financial liabilities</b>		
Payables	357,752	57,123
<b>Total financial liability</b>	<b>357,752</b>	<b>57,123</b>

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

### 7.2 Contingent assets and liabilities

MRIWA has no contingent liabilities or contingent assets.



# Financial Statements and Notes

## Note 8. Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Changes in Accounting Policy	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

### 8.1 Events occurring after the end of the reporting period

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

### 8.2 Changes in Accounting Policy

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

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

### 8.3 Key management personnel

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

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

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

	2024	2023
Compensation band (\$)		
0 – 50,000	7	8
150,001 – 200,000	1	-
250,001 – 300,000	1	1

	2024	2023
	\$	\$
Total compensation of senior officers	597,574	383,964

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



# Financial Statements and Notes

## 8.4 Related party transactions

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

Related parties of the Institute include:

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

Significant transactions with related parties throughout the year ended 30 June 2024 include:

- Department of Mines, Industry Regulation and Safety (GSWA)
  - Funds received as sponsor contribution to research projects (included within Sponsorship income) (\$158,333)
- Department Of Energy, Mines, Industry, Regulation and Safety (DEMIRS)
  - Appropriations (refer note 3.1)
  - Accommodation received free of charge (included in Accommodation Expense and Resources Received Free of Charge (refer note 3.1)
  - Funds received as compensation for the transfer of leave entitlements from DEMIRS to MRIWA (\$17,718)
  - Funds paid as compensation for the transfer of leave entitlements from MRIWA to DEMIRS (\$6,794)

- Department of Jobs, Tourism, Science, and Innovation
  - Funds received under a Letter of Agreement to support the development of a business case and marketing plan for a large-scale energy and resources-related week in Western Australia (\$300,000)
  - Funds received as compensation for the transfer of annual leave entitlements from JTSI to MRIWA (\$12,440)
  - Funds received under a Memorandum of Understanding for allocation to the Future Battery Industries Cooperative Research Centre (FBI CRC) (\$15,000)
  - Funds received under a Memorandum of Understanding for allocation to the Heavy Industry Low-carbon Transition Cooperative Research Centre (HILT CRC) (\$177,000)
  - Funds received as sponsor contribution to research projects (included within Sponsorship Income) (\$300,000)
- Department of Finance
  - Western Australian payroll tax paid for the FY22/23 period (\$20,143)
- Office of the Auditor General
  - Audit fees in relation to the FY22/23 audit (\$40,750)
- State Solicitor's Office
  - Provided legal services to MRIWA throughout the year (\$10,000)
- Department of Premier and Cabinet
  - Funds received as compensation for the transfer of leave entitlements from DEMIRS to MRIWA (\$3,951)

## 8.5 Related bodies

The Institute has no related bodies.

## 8.6 Affiliated bodies

The Institute has no affiliated bodies.



# Financial Statements and Notes

## 8.7 Remuneration of auditors

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

	2024	2023
	\$	\$
Auditing the accounts, financial statements and key performance indicators	40,750	40,750

## 8.8 Equity

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

	2024	2023
	\$	\$
<b>Accumulated surplus</b>		
Balance at start of period	14,207,782	12,383,576
Result for the period	2,962,153	1,824,206
<b>Balance at end of period</b>	<b>17,169,935</b>	<b>14,207,782</b>
<b>Total Equity at end of period</b>	<b>17,169,935</b>	<b>14,207,782</b>

## 8.9 Supplementary financial information

### (a) Write-offs

	2024	2023
	\$	\$
Public property written-off by the Authority during the period	-	-

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

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



# Financial Statements and Notes

## 8.10 Explanatory statement

This explanatory section explains variations in the financial performance of the Institute undertaking transactions under its own control, as represented by the primary financial statements. All variances between annual estimates (original budget) and actual results for 2024, and between the actual results for 2024 and 2023 are shown below. Narratives are provided for major variances that are more than 10% of the comparative and that are more than 1% of the following:

- 1) Estimate and actual results for the current year:
  - Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows, and
  - Total Assets of the annual estimates for the Statement of financial position
- 2) Actual results between the current year and the previous year:
  - Total Cost of Services of the previous year for the Statements of comprehensive income and Statement of cash flows; and
  - Total Assets of the previous year for the Statement of financial position

### Statement of Comprehensive Income

	Variance note	Estimate <sup>1</sup> 2024 \$	Actual 2024 \$	Actual 2023 \$	Variance between actual and estimate \$	Variance between actual results for 2024 and 2023 \$
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Research grants	1,A	11,250,629	4,115,858	5,291,879	(7,134,771)	(1,176,021)
Scholarships and awards	2,B	486,904	208,937	299,655	(277,967)	(90,718)
Employee benefits expense	3,C	2,008,408	1,565,128	1,259,564	(443,280)	305,564
Institute Contractor fees		52,000	-	-	(52,000)	-
Board and committee fees and costs		148,633	122,296	112,201	(26,337)	10,095
Supplies and services	4	1,135,815	463,804	529,435	(672,011)	(65,631)
Other expenses		139,243	119,354	93,589	(19,889)	25,765
Accommodation expense	D	152,086	213,306	109,894	61,220	103,412
Depreciation Expense		-	277	-	277	277
<b>Total cost of services</b>		<b>15,373,718</b>	<b>6,808,960</b>	<b>7,696,217</b>	<b>(8,564,758)</b>	<b>(887,257)</b>





## Financial Statements and Notes

### 8.10 Explanatory statement (continued)

#### Statement of Comprehensive Income (continued)

	Variance note	Estimate <sup>1</sup> 2024 \$	Actual 2024 \$	Actual 2023 \$	Variance between actual and estimate \$	Variance between actual results for 2024 and 2023 \$
<b>Income</b>						
<b>Revenue</b>						
Interest revenue	5,E	166,972	808,381	477,856	641,409	330,525
Other revenue	6,F	397,404	189,408	266,308	(207,996)	(76,900)
Revenue from Sponsorship	7,G	1,236,826	925,108	1,751,225	(311,718)	(826,117)
<b>Total Revenue</b>		<b>1,801,202</b>	<b>1,922,897</b>	<b>2,495,389</b>	<b>121,695</b>	<b>(572,492)</b>
<b>Total income other than income from State Government</b>		<b>1,801,202</b>	<b>1,922,897</b>	<b>2,495,389</b>	<b>121,695</b>	<b>(572,492)</b>
<b>NET COST OF SERVICES</b>						
		<b>13,572,516</b>	<b>4,886,063</b>	<b>5,200,828</b>	<b>(8,686,453)</b>	<b>(314,765)</b>
<b>Income from State Government</b>						
State Government Grant	H	6,946,000	7,631,000	6,915,000	685,000	716,000
Resources received free of charge	I	152,086	217,216	110,034	65,130	107,182
<b>Total income from State Government</b>		<b>7,098,086</b>	<b>7,848,216</b>	<b>7,025,034</b>	<b>750,130</b>	<b>823,182</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(6,474,430)</b>	<b>2,962,153</b>	<b>1,824,206</b>	<b>9,436,583</b>	<b>1,137,947</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(6,474,430)</b>	<b>2,962,153</b>	<b>1,824,206</b>	<b>9,436,583</b>	<b>1,137,947</b>

1. These estimates are published in the Annual Report for the year ended 30 June 2023.



# Financial Statements and Notes

## 8.10 Explanatory statement (continued)

### Statement of Comprehensive Income (continued)

#### Major Estimate and Actual (2024) Variance Narratives

1. Research grants are below estimate for several reasons:
  - The research grants were of lower value than expected;
  - Funds managed by MRIWA on behalf of sponsors were lower than expected;
  - The time required to negotiate the condition of the grant for a project with the sponsors and research partners was longer than expected; and
  - Progress by the researchers in executing the project and the timeliness of researchers' submission of their progress reports and financial statements in order to receive the next claim was slower than expected.

Payments to researchers will differ from year to year based on the progress of the research.

2. Scholarship expense is less than originally budgeted as a result of them only being offered as a 'top-up' scholarship and delays invoicing by the host universities.
3. Employee Benefits expenses are lower than budgeted due to recruitment of budgeted personnel not proceeding, and some vacancies remained in the organisation.
4. Supplies and services are lower than budgeted. This is because consultant fees have not been incurred as planned work did not proceed in the period and conference expenses were lower than expected due to lower attendance and not incurring speaker fees.
5. Interest Revenue is more than budgeted due to increases in interest rates.
6. Other Revenue, for example event ticket sales from the net zero mining conference are lower than budgeted.
7. Revenue from sponsorship is below estimate as it is difficult to forecast an accurate value of industry sponsorship income for new research projects. Revenue from industry sponsorship is also impacted by decisions of sponsors to pay funds direct

to researchers, rather than MRIWA, for projects forecast to be approved throughout the financial year.

#### Major Actual (2024) and Comparative (2023) Variance Narratives

- A. Research grants has decreased from the prior year as less projects progressed in their research during this financial year, resulting in less researcher payments being made.
- B. Scholarships and awards have decreased from the prior year as a result of them only being offered as a 'top-up' scholarship and delays invoicing by the host universities.
- C. The Employee benefits expense has increased from the prior year due to the increase in number of employees.
- D. Accommodation expense has increased from the prior year due to increase in rent and inclusion of other resources such as car parking not previously included.
- E. Interest Revenue increased from prior year due to increases in interest rates.
- F. Other Revenue has decreased due to lower event sales compared to prior years and reduced conference sponsorships in relation to the event.
- G. Revenue from sponsorship is driven by the terms set in the Conditions of Grant at the commencement of every new research project. The decrease in income reflects the reduced level of sponsorship funds to be managed by MRIWA in accordance with the Conditions of Grants entered into.
- H. Net cash provided by the State Government has increased from prior year due to the mid-year budget allocation for the continuation of the green iron pilot plant project.
- I. Resources received free of charge increased from the prior year as there are additional resources in the calculation of the rental expense.



## Financial Statements and Notes

### 8.10 Explanatory statement (continued)

#### Statement of Financial Position

	Variance note	Estimate <sup>1</sup> 2024 \$	Actual 2024 \$	Actual 2023 \$	Variance between actual and estimate \$	Variance between actual results for 2024 and 2023 \$
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		2,100,645	11,619,509	7,225,344	9,518,864	4,394,165
Restricted cash and cash equivalents		8,402,582	8,091,798	8,835,922	(310,784)	(744,124)
Receivables and other assets		570,474	685,730	489,901	115,256	195,829
Other current assets	1	41,743	237,050	179,752	195,307	57,298
<b>Total Current Assets</b>		<b>11,115,444</b>	<b>20,634,087</b>	<b>16,730,919</b>	<b>9,518,643</b>	<b>3,903,168</b>
<b>Non-Current Assets</b>						
Office equipment		-	12,723	-	12,723	12,723
<b>Total Non-Current Assets</b>		<b>-</b>	<b>12,723</b>	<b>-</b>	<b>12,723</b>	<b>12,723</b>
<b>TOTAL ASSETS</b>		<b>11,115,444</b>	<b>20,646,810</b>	<b>16,730,919</b>	<b>9,531,366</b>	<b>3,915,891</b>



## Financial Statements and Notes

### 8.10 Explanatory statement (continued)

#### Statement of Financial Position (continued)

	Variance note	Estimate <sup>1</sup> 2024 \$	Actual 2024 \$	Actual 2023 \$	Variance between actual and estimate \$	Variance between actual results for 2024 and 2023 \$
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		48,955	392,597	77,445	343,642	315,152
Provisions		173,500	181,466	81,243	7,966	100,223
Deferred income	2, A	2,496,286	2,844,957	2,275,266	348,671	569,691
<b>Total Current Liabilities</b>		<b>2,718,741</b>	<b>3,419,020</b>	<b>2,433,954</b>	<b>700,279</b>	<b>985,066</b>
<b>Non-Current Liabilities</b>						
Provisions		49,000	57,855	89,183	8,855	(31,328)
<b>Total Non-Current Liabilities</b>		<b>49,000</b>	<b>57,855</b>	<b>89,183</b>	<b>8,855</b>	<b>(31,328)</b>
<b>TOTAL LIABILITIES</b>		<b>2,767,741</b>	<b>3,476,875</b>	<b>2,523,137</b>	<b>709,134</b>	<b>953,738</b>
<b>NET ASSETS</b>						
		<b>8,347,703</b>	<b>17,169,935</b>	<b>14,207,782</b>	<b>8,822,232</b>	<b>2,962,153</b>
<b>EQUITY</b>						
Accumulated surplus		8,347,703	17,169,935	14,207,782	8,822,232	2,962,153
<b>TOTAL EQUITY</b>		<b>8,347,703</b>	<b>17,169,935</b>	<b>14,207,782</b>	<b>8,822,232</b>	<b>2,962,153</b>

1. These estimates are published in the Annual Report for the year ended 30 June 2023.



# Financial Statements and Notes

## 8.10 Explanatory statement (continued)

### *Statement of Financial Position (continued)*

#### *Major Estimate and Actual (2024) Variance Narratives*

1. Other current assets are higher than estimated due to an increase in interest rates.
2. Deferred income is lower than the estimate as projects approved by the Board in 2023-24 had reduced level of sponsorship funds to be managed by MRIWA. The income received from sponsors and whether this is paid direct to researchers or MRIWA, has a direct relationship to the deferred revenue calculated.

#### *Major Actual (2024) and Comparative (2023) Variance Narratives*

- A. Deferred income has increased from the prior year. Although projects approved by the Board in 2023-24 had reduced level of sponsorship funds to be managed by MRIWA there has been an increase in the balance due to new projects approved during the year and milestones that are yet to be met on existing projects.



## Financial Statements and Notes

### 8.10 Explanatory statement (continued)

#### Statement of Cash Flows

	Variance note	Estimate <sup>1</sup> 2024 \$	Actual 2024 \$	Actual 2023 \$	Variance between actual and estimate \$	Variance between actual results for 2024 and 2023 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
<b>State Government Grant</b>						
Net cash provided by State Government	A	6,946,000	7,631,000	6,915,000	685,000	716,000
		<b>6,946,000</b>	<b>7,631,000</b>	<b>6,915,000</b>	<b>685,000</b>	<b>716,000</b>
Utilised as follows:						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Research Grant Payments and Scholarship	1,B	(11,738,578)	(4,055,334)	(5,591,534)	7,683,244	1,536,200
Employee benefits	2,C	(1,975,408)	(1,481,710)	(1,263,045)	493,698	(218,665)
Institute Contractor fees		(52,000)	-	-	52,000	-
Board and Advisory committee fees	3	(148,633)	(65,965)	(49,468)	82,668	(16,497)
Supplies and Services	4	(1,427,144)	(536,895)	(622,422)	890,249	85,527
GST payments on purchases	5,D	(1,189,595)	(436,976)	(596,872)	752,619	159,896



## Financial Statements and Notes

### 8.10 Explanatory statement (continued)

#### Statement of Cash Flows (continued)

	Variance note	Estimate <sup>1</sup> 2024 \$	Actual 2024 \$	Actual 2023 \$	Variance between actual and estimate \$	Variance between actual results for 2024 and 2023 \$
<b>Receipts</b>						
Receipts from Sponsors	6,E	1,433,901	1,089,390	720,109	(344,511)	369,281
Receipts from events	7,F	397,404	155,577	236,075	(241,827)	(80,498)
Interest received	8,G	166,972	739,899	377,086	572,927	362,813
GST receipts on sales	9,H	100,373	208,225	112,265	107,852	95,960
GST receipts from taxation authority	10,I	1,089,222	415,830	569,989	<b>(673,392)</b>	(154,159)
<b>Net cash used in operating activities</b>		<b>(13,343,486)</b>	<b>(3,967,959)</b>	<b>(6,107,817)</b>	<b>9,375,527</b>	<b>2,139,858</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current assets		-	(13,000)	-	(13,000)	(13,000)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(13,000)</b>	<b>-</b>	<b>(13,000)</b>	<b>(13,000)</b>
Net increase/(decrease) in cash and cash equivalents		(6,397,486)	3,650,041	807,183	10,047,527	2,842,858
Cash and cash equivalents at the beginning of the period		16,900,713	16,061,266	15,254,083	(839,447)	807,183
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>10,503,227</b>	<b>19,711,307</b>	<b>16,061,266</b>	<b>9,208,080</b>	<b>3,650,041</b>

1. These estimates are published in the Annual Report for the year ended 30 June 2023.



# Financial Statements and Notes

## 8.10 Explanatory statement (continued)

### *Statement of Cash Flows (continued)*

#### *Major Estimate and Actual (2024) Variance Narratives*

1. Research grants are below estimate for several reasons:
  - The research grants were of lower value than expected;
  - Funds managed by MRIWA on behalf of sponsors were lower than expected;
  - The time required to negotiate the condition of the grant for a project with the sponsors and research partners was longer than expected; and
  - Progress by the researchers in executing the project and the timeliness of researchers' submission of their progress reports and financial statements in order to receive the next claim was slower than expected.

Payments to researchers will differ from year to year based on the progress of the research.

2. Employee benefits are lower than budgeted due to recruitment of budgeted personnel not proceeding, and some vacancies remained in the organisation.
3. Board and advisory fees are lower than budgeted due to lower than expected Grant Assessment Panel attendance.
4. Supplies and services are lower than budgeted. This is because consultant fees have not been incurred as planned work did not proceed in the period and conference expenses were lower than expected due to lower attendance and not incurring speaker fees.
5. GST payments on purchases are lower than budgeted due to expenditure being lower than budgeted.
6. Revenue from sponsorship is below estimates as it is difficult to forecast an accurate value of industry sponsorship income for new research projects. Revenue from industry sponsorship is also impacted by decisions of sponsors to pay funds direct to researchers, rather than MRIWA, for projects forecast to be approved throughout the financial year.

7. Receipts from events are below estimates due to event ticket sales from the net zero mining conference being lower than budgeted.
8. Interest received are higher than estimate due to an increase in interest rates.
9. GST Received is higher than estimated due to higher than estimated taxable sales.
10. GST Receipts from taxation authority is lower than estimate due to lower GST on purchases.

#### *Major Actual (2024) and Comparative (2023) Variance Narratives*

- A. Net cash provided by the State Government has increased from prior year due to the mid-year budget allocation for the continuation of the green iron pilot plant project.
- B. Research grants have decreased from the prior year as less projects progressed in their research during this financial year, resulting in less researcher payments being made.
- C. Employee benefits have increased due to an increase in the workforce.
- D. GST payments on purchases have decreased due to decrease in expenditure.
- E. Receipts from sponsors are driven by the terms set in the Conditions of Grant at the commencement of every new research project. The increase in receipts reflects the increased level of sponsorship funds to be managed by MRIWA in accordance with the Conditions of Grants entered into.
- F. Receipts from events has decreased due to conference sponsorship and event ticket sales reducing from the prior year.
- G. Interest received has increased due to an increase in interest rates.
- H. GST receipts on sales has increased from the prior year due to increase in taxable sales.
- I. GST Receipts from taxation authority has decreased compared to the prior year due to a reduction in taxable expenditure.

