



ChemCentre

ANNUAL REPORT

FOR THE YEAR ENDED  
30 JUNE 2013



ChemCentre  
EXPERT SOLUTIONS

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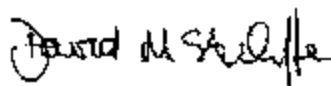
## STATEMENT OF COMPLIANCE

### HON Colin Barnett MLA

#### Premier; Minister for State Development; Science

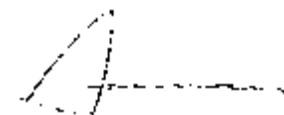
In accordance with Section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the annual report of ChemCentre for the financial year ended 30th June 2013.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



**Member of Governing Board**

Date: 9 September 2013



**Member of Governing Board**

Date: 9 September 2013

## Contact Details

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## OVERVIEW



## From the Chair

As the leading analytical chemistry and forensic science facility in WA, ChemCentre has been an integral part of the Western Australian scientific community for decades. Since 2007, the organisation has built its profile and its business in the areas of emergency response, public and environmental health, justice, safety and security.

ChemCentre's core responsibilities, to the State Government and the people of Western Australia, are as follows:

- › Customer service – delivery of world class chemical analytical services on time and within budget
- › Keeping the State safe – provision of emergency and crisis response capabilities
- › Assisting with policing – being a forensics centre of excellence
- › Continuous improvement – getting better at what we do; and developing, keeping and applying intellectual property
- › Zero harm – having effective management systems in place for safety, occupational health and the environment
- › Social responsibility – cooperating with communities wherever we work
- › Leveraging our core pool of expertise to provide educational services
- › Conducting pure and applied research that adds real value
- › Growing the business and making it financially sustainable
- › Minimising government allocations – delivering commercial outcomes on a fee-for-service basis.

The past financial year has been challenging for ChemCentre and has seen difficult market conditions impact on ChemCentre's financial performance. At the Board level, this has led to consideration of the benefits and issues of ChemCentre's current structural and business model.

The ChemCentre business proposition focuses on continuously improving provision of crucial community services for the people of Western Australia, coupled with analytical services and advice to government clients paid for through negotiated agreements, and commercial fee-for-service work on a competitive basis to other clients.

We find ourselves in a situation in which revenue from commercial customers has started to decline at a time when economic circumstances make it difficult to replace this revenue, while at the same time ChemCentre does not have the flexibility to adjust its cost base to compensate. Further, changes in priorities and reallocation of funding to other programs within the public sector has resulted in decreased revenue from fee-for-service work from public sector clients.

## OVERVIEW CONTINUED

Since the introduction of the *Chemistry Centre (WA) Act 2007*, the Board of Directors has set a series of stringent challenges for the management and staff of the organisation. While continuing to improve its community service obligations and its analytical services to government clients, we asked ChemCentre to properly understand its cost base and to compete for commercial clientele. I am proud to say that the organisation responded very well, building its reputation for innovation and excellence while it built its profitability.

The relationship between the Board and management is vigorously cooperative and productive, and the results of that relationship have been overwhelmingly positive. Now, hit by difficult external circumstances and constrained by the model under which it operates, ChemCentre has reached a crucial point in its evolution. The Board is determined to see ChemCentre continue to grow and prosper while it protects the State's people and property.



One of the past year's most significant events has been the review of the *Chemistry Centre (WA) Act 2007*, by an independent panel of esteemed experts.

The review built on the work of previous reviews and considered the fundamental work undertaken by Professor Ian Ritchie in his initial recommendations which led to the establishment of the Act.

The wide-ranging terms of reference for the review included an examination of the relationship between the functions of ChemCentre as laid out in section 9 of the Act, its principles of operations (section 10), its Strategic Development Plan and financial model.

The panel's findings could potentially have a profound impact on the future direction of ChemCentre, and on behalf of the Board, I thank the panel for the opportunity to have contributed to the review of the Act.

This year, we welcome the opportunity to work with the Premier as the Minister for Science and look forward to working with the Office of Science.

Finally, I thank the staff of ChemCentre. The past year has been challenging and has seen a series of internal and external changes. Staff members have taken on these changes whilst maintaining pride in their work and enthusiasm for the important role they play in supporting, protecting and developing our State.

A handwritten signature in black ink, appearing to read 'Bret Mattes'.

**Dr Bret Mattes**  
**Chair, ChemCentre Board**



## From the CEO

The past financial year has seen ChemCentre experience a series of changes, internally and externally, creating both challenges and opportunities.

ChemCentre's financial performance in the 2012-13 financial year was impacted by external market conditions, resulting in below budget performance in the sale of goods and services. The financial results to 30 June 2013 reflect these revenue challenges, with a loss before tax for the year ended 30 June 2013 of \$2,000,000 compared to a profit for the previous year of \$1,675,000 and a budgeted profit before tax of \$976,000.

The shortfall in profitability compared with the previous year is due to lower revenue from the provision of services which decreased by \$1,640,000 (10.3%) to \$14,236,000 compared with the previous year. In addition service appropriations in 2012-13 are \$941,000 (10.8%) below previous year as a consequence of a reduction in appropriations for rent at the Bentley premises.

Within ChemCentre's fee-for-service analytical programs, much activity results from clients' fixed-term investigative or monitoring projects. With the conclusion of these projects, ChemCentre experienced a major reduction in incoming work, and therefore revenue. We have recognised that future activity planning must be a focus for ChemCentre, to support continuity of income.

Moving into the next financial year, the most significant factor influencing ChemCentre's governance and direction will be the delivery of the review of the *Chemistry Centre (WA) Act 2007*. Issues such as the fundamental purpose of ChemCentre, the suitability of possible business models in delivering services and State funding for essential services were all considered in the terms of reference for the Panel, and will likely have a direct impact on our priorities and management in the coming year and into the future.

Within ChemCentre, we have launched initiatives to ensure our sound performance in the year to come. I am pleased to note the progress ChemCentre has achieved in redefining its traditional areas of expertise to match market requirements and emerging business priorities. This has seen comprehensive service packages rolled out in areas including acid metalliferous drainage (for assessing environmental impact of mining activity), dusts and air monitoring (for environmental and occupational exposure determination), workplace drug testing (for employee safety and risk management) and clandestine drug laboratory site remediation (for sites contaminated by illegal and hazardous drug manufacturing).

To support this improved approach to service delivery for all clients, both public and private sector, ChemCentre has revised its internal operational structures to create efficient working practices and ensure a client focus at all times. A more diverse management group within ChemCentre will promote flexibility and responsiveness, whilst also addressing one of ChemCentre's key strategic priorities – workforce planning.

Reflecting on a challenging year, I thank the Board for their continued support and guidance in directing our strategy and overseeing our governance. Finally, I thank the staff and Executive of ChemCentre for their continued dedication and energy in striving to achieve our shared strategic and financial goals.



**Mr Peter Millington**  
Chief Executive Officer





## EXECUTIVE SUMMARY

ChemCentre is the Western Australian Government statutory authority that provides expert analytical and scientific information to government, industry and the community. It exists to provide essential chemical and forensic services to ensure a safe and prosperous Western Australian community.

### About ChemCentre

ChemCentre was established by the Western Australian Government in the 1890s and has grown and evolved over the past 120 years to achieve recognition as a leader in analytical chemistry and forensic science.

We provide routine analytical services, as well as specialised method development and unique analyses for less common chemicals of interest. Our scientists provide clients with high quality analyses, legally defensible data and where required, expert interpretation and legal testimony.

As the Western Australian Government analytical laboratory, with responsibilities in emergency response, forensic science and public and environmental health, we maintain a core of world-class expertise and equipment at our headquarters in Bentley, Western Australia.

The same expertise and equipment is used to service our industry clients, not only in Western Australia, but also nationally and in Asia, Europe and the United States.

Our laboratories are accredited and compliant with all National Association of Testing Authorities (NATA) requirements for Chemical Testing and Forensic Science. Consequently, we comply fully with all relevant clauses of ISO/IEC 17025 and meet the principles of ISO 9001. ChemCentre also holds expert accreditation with selected industry bodies and regularly undergoes rigorous compliance and quality audits.

#### ChemCentre's **Vision**,

to guide it over the next decade, is:

**ChemCentre is recognised as Australia's leading provider of premium chemical and forensic services.**

Within this context ChemCentre's **Mission** over the life of its current Strategic Development Plan is:

**ChemCentre is the trusted provider of essential chemical and forensic services to ensure a safe and prosperous Western Australian community.**

## EXECUTIVE SUMMARY CONTINUED

## COMPARING DRUG INFORMATION FOR INTELLIGENCE

In 2013, ChemCentre launched the Australian Federal Police's initiative, the Enhanced National Intelligence Picture on Illicit Drugs (ENIPID), a drug profiling system that identifies illegal drug supply trends by comparing drug seizure information from across Australia.



There are three core service descriptions for ChemCentre's performance. These are:

- › **Service 1:** Commercial and Scientific Information and Advice - Development and delivery of quality scientific information and advice, including commercial services, to government, industry and the community
- › **Service 2:** Research and Development - Delivery of quality project-based knowledge, know-how and/or intellectual property relevant to state development, public health and safety, or delivery of ChemCentre's other services
- › **Service 3:** Emergency Response Management - Specialist technical advice and support to government and industry in managing the risks arising from unmanaged chemical-biological-radiological releases

There are four key areas in which ChemCentre delivers the services described above. These are:

- › Forensic science
- › Emergency response
- › Environmental chemistry
- › Research and community

More information on these areas and a selection of highlights from the 2012-13 financial year are included below.





## EXECUTIVE SUMMARY CONTINUED

## Forensic Science

ChemCentre provides Western Australian authorities with defensible, high quality forensic science testing and expertise. The forensic science laboratory plays a key role in justice administration in Western Australia, providing services in forensic toxicology, trace evidence, drug analysis and racing chemistry for state and district coroners, the police and other government agencies.

In the 2012-13 financial year, ChemCentre:

- › Launched the Enhanced National Intelligence Picture on Illicit Drugs, a unique drug profiling software system that compares drug seizure information from across Australia to identify trends and patterns.
- › Developed forensic toxicology methods for the confirmation of 30 synthetic amphetamines and cathinones in blood, oral fluid and urine for coronial, sobriety, criminal investigation and workplace drug testing applications.
- › Developed testing capabilities for over 100 emerging psychoactive substances and variations, to support the accurate analysis of drug seizures for community safety.
- › Implemented a comprehensive illicit drugs communication program, including alerts and newsletters, to educate and inform stakeholders on trends in the analysis of drug seizures.

- › Created a new software tool for comparing fibres under forensic examination, as part of a unique international research collaboration.
- › Delivered anti-doping analytical services, expert testimony and advice to Racing and Wagering Western Australia, for the three codes of racing in the State.
- › Conducted clandestine drug laboratory response training in conjunction with WA Police and Department of Fire and Emergency Services to educate police officers on appropriate techniques for responding to chemical hazards from drug manufacturing.
- › Launched analytical services to support the assessment and remediation of sites contaminated by clandestine drug laboratory activity.
- › Developed improved techniques for analysing explosives residues, using Liquid Chromatography Quadrupole Time-of-Flight Mass Spectrometry, avoiding issues associated with sample degradation or size.
- › Provided state, national and international leadership in forensic science through participation in, and guidance of, major working groups, including chairing the National Workshop on Analogue Drugs.

## LEADING FORENSIC SCIENCE RESEARCH

Forensic scientists at ChemCentre developed further capabilities to support the justice system, with innovative approaches to topics as diverse as explosives analysis, comparison of forensic evidence samples (e.g. drugs or fibres) and deterioration of samples and identification over time.



## EXECUTIVE SUMMARY CONTINUED

## MONITORING AIR AND EMPLOYEE EXPOSURE

Expertise in monitoring the movement of particles and gases in enclosed systems guided ChemCentre's latest commercial analytical services in dusts analysis and air monitoring. A critical issue in workplace health and safety, ChemCentre's new services assist companies in monitoring hazards and protecting employees.



## Environmental Chemistry

ChemCentre's Act describes the provision of expertise to support public health and safety. This is delivered through outstanding environmental chemistry services, used to assess and monitor potential risks to the environment and community. These services are delivered to clients from the private and public sector alike, and are focussed on providing legally defensible information to ensure sustainable development and thorough risk management.

In the 2012-13 financial year, ChemCentre:

- Expanded hydrocarbon analytical techniques for characterisation and assessment of oil spills, to assist with cleanup procedures and source apportionment.
- Refined techniques for studying dusts and respirable particles, including improved characterisation of particles and expansion of modelling techniques.
- Developed new capabilities in kinetic testing of soil and mining material columns and cells to assess the capacity for long-term environmental impact associated with mining activity and weathering of natural materials.
- Launched improved testing services for polyaromatic hydrocarbons in marine sediments, down to parts-per-trillion levels.

- Completed the analytical chemistry components of the Groundwater Replenishment Trial for the Water Corporation, to secure Western Australia's water future.
- Continued its involvement with the major Swan River Trust project investigating the use of soil amendments to improve soil capacity to retain nutrients and water, to avoid adverse impact on the Swan Canning River system.
- Developed techniques for assessing and characterising diesel particulate matter, to assess environmental and occupational exposure in industrial settings.
- Expanded organic chemical residue capabilities, including herbicides and pesticides, to identify residues in locally grown and imported food.



## Emergency Response

ChemCentre's emergency response scientists guarantee the State's ability to manage risk and protect the community in suspected chemical, biological or radiological incidents (CBRN). This includes identifying unknown chemicals and advising on evacuation and emergency response procedures. ChemCentre's expertise in the area of emergency response is valued amongst emergency and counterterrorism authorities around the world.

In the 2012-13 financial year, ChemCentre:

- Attended and resolved 33 official emergency response incidents.
- Conducted a highly successful series of training exercises and capability studies with partners in emergency and hazard response, including frontline staff, with the Department of Fire and Emergency Services and WA Police.
- Provided state, national and international leadership in emergency response through participation in, and guidance of, major working groups, including presenting at the United States Environmental Protection Authority's Decontamination Research and Development Conference.
- Managed a liaison and response program with local government authorities to categorise and responsibly dispose of hazardous household waste at council waste facilities.

## FIELD EXERCISES FOR IMPROVED CAPABILITIES

ChemCentre coordinated and participated in a series of joint-agency field exercises with WA Police and the Department of Fire and Emergency Services, to enhance State capability in chemical hazard response.



## EXECUTIVE SUMMARY CONTINUED

## Research and Community

ChemCentre undertakes a series of commissioned research projects every year, contributing staff expertise and time as in-kind support for developing State capability or knowledge. These projects are selected based on their ability to address issues such as State development priorities, demand for improved analytical services and delivery of other business areas.

Within its Act, ChemCentre is also required to support chemistry education and community engagement, and delivers this through science communication in the media and an annual outreach program.

In the 2012-13 financial year, ChemCentre:

- › Created sampling and testing processes for organometallic compounds resulting from industrial activity, including mineral refining (Cooperative Research Centre for the Contamination, Assessment and Remediation of the Environment).
- › Investigated absorbed chemical species on inhalable iron rich and alumina particles in industrial settings (Cooperative Research Centre for the Contamination, Assessment and Remediation of the Environment).
- › Investigated the chemicals in potential crops for photosensitising chemicals that may affect grazing animals. (Department of Agriculture and Food).
- › Provided analytical services for the investigation of lupin breeding in Western Australia (Department of Agriculture and Food).
- › Investigated nutrient capture and water retention through the trial of unique soil amendments and filter systems in a natural environment (Swan River Trust).
- › Conducted extensive testing on fruit and vegetable samples for residual contaminants (Department of Health).
- › Researched new approaches to improve the quality and measurement of total petroleum hydrocarbons in Australian environmental samples (Cooperative Research Centre for the Contamination, Assessment and Remediation of the Environment).
- › Contributed analytical expertise to collaborative 'carbon in soil' projects to assess the value and effectiveness of carbon capture programs and better understand sequestered carbon initiatives (Rangelands NRM).
- › Ran a highly successful outreach program, covering school visits, community presentations and the annual Open Day, reaching over 1000 visitors with highlights from across ChemCentre's work.
- › Hosted 16 student officers and internships, supporting tertiary chemistry and laboratory practice education.
- › Participated in regular media interviews and stories, achieving recognition as an expert in areas including illicit drugs, clandestine drug laboratories and workplace drug testing.

### OPENING UP ON CHEMISTRY

Over 1000 people came through ChemCentre's doors to experience a day of sensational science and curious chemistry, whilst learning about the role of chemistry in the community.





## Financial Overview

The actual loss before tax for the year ended 30 June 2013 was \$2,000,000 compared to an actual profit for the previous year of \$1,675,000 and the budget profit before tax of \$976,000. The previous year included a reduction in rent accrued of \$488,000, relating to the period 9 September 2009 to 30 June 2012. This reduction in rent cost arose out of the finalisation of the cost of ChemCentre premises between Curtin University and BGC, the builder (Note 13).

Service appropriations in 2012-13 are \$941,000 (10.8%) below previous year as a consequence of a reduction in appropriations for rent at the Bentley premises. Revenue from the provision of services has decreased by \$1,640,000 (10.3%) to \$14,236,000 compared with the previous year. This reduction in revenue compared to previous year is a result of the completion of the Esperance Cleanup and Recovery Project with the Department of Transport and a reduction in samples requiring analysis from the Water Corporation's ground water recharge project, as well as a significant reduction in revenue from workplace drug testing.

Total expenses during the period have increased by \$1,114,000 (4.9%) to \$24,038,000 compared with the previous year. The main reason for this increase is salaries and related costs, which increased by \$630,000 (5.4%), due to the General Agreement increase and level increment increases throughout the year. Average FTEs reduced by 2 (1.6%) in Environmental Chemistry section due to the completion of the Esperance Cleanup and Recovery Project and a lower volume of work from Water Corporation. Other increases in expenses to 30 June 2013 over the previous year include:

1. Depreciation and amortisation costs increased by \$49,000, reflecting the new Asset Investment Plan and the acquisition during the year of \$1,841,000 in tangible and intangible assets. (Note 20 and 21).
2. All other expenses increased by \$435,000, mainly as a result IT costs of \$146,000 for a drug profiling system; a one off cost for the Chemistry Centre Act review of \$60,000; equipment maintenance costs of \$178,000 relating to new equipment out of warranty and new maintenance agreements and consulting fees of \$122,000, mainly for the research and development tax deduction.

In the 12 months to 30 June 2013 the cash balance decreased by \$1,694,000 to \$2,611,000, primarily as a result of the investment in new equipment over and above the amount appropriated (Cash Flow Statement).

The results for the year ending 30 June 2013 are largely in line with the budget except for 'sale of goods and services' which was \$3,766,000 below budget due to the completion of the Esperance Cleanup and Recovery Project with the Department of Transport and a reduction in samples requiring analysis from the Water Corporation's ground water recharge project, as well as a significant reduction in revenue from workplace drug testing. In addition the reclassification of administration expenses from Supplies and Services to Other Expenses has resulted in cancelling variances against these headings (Note 31).



## OPERATIONAL STRUCTURE

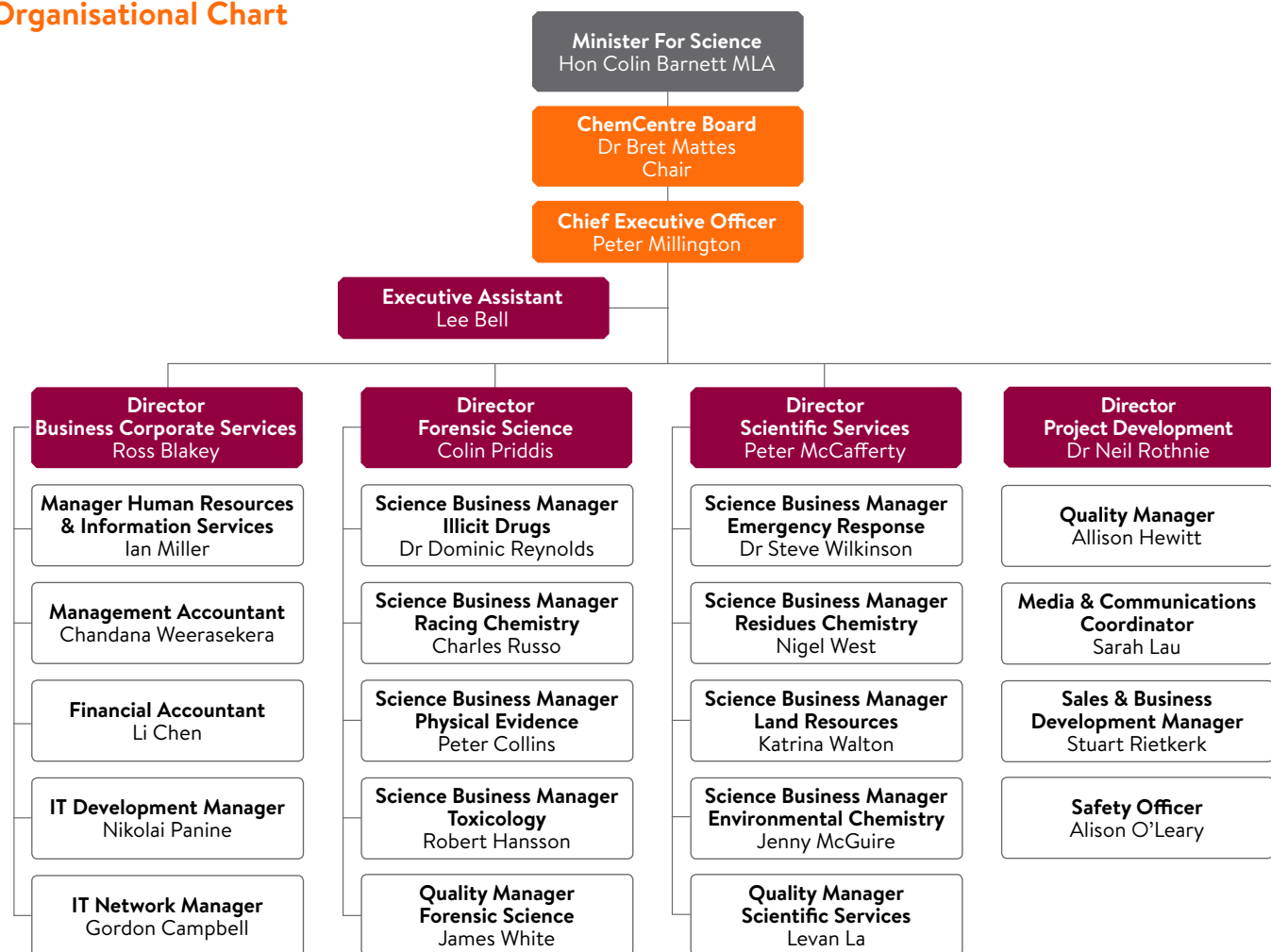
### Enabling Legislation

ChemCentre was established as a statutory authority under the *Chemistry Centre (WA) Act 2007*, on 1 August 2007.

### Responsible Minister

Premier; Minister for State Development; Science.

### Organisational Chart



## Board of ChemCentre

Each member of the Board is appointed by the Minister for Science and selected for the relevant expertise that they bring. Appointments (or re-appointments) are for three year terms, with a staggered rotation of board membership.



From left to right, front row – Mr Bruce Brennan, Dr Lianne Cretney-Barnes, Dr Keith Shilkin. Back row – Dr Peter Stransky, Dr David McAuliffe. Absent – Dr Bret Mattes, Dr John Farrow.

### Board Profiles

#### Dr Bret Mattes (Chair)

Originally trained as an oceanographer, Dr Mattes held several positions in Shell, including geoscientist and exploration manager, before moving in 1990 to BHP Petroleum. Between 1990 and 2007, Dr Mattes held several roles in BHP Petroleum, finishing his time with that company as Vice-President Australia/Asia Gas & Power, BHP Billiton. He is now CEO and President Director of OTP Geothermal and President of Origin Energy in Indonesia.

#### Dr Keith Shilkin AM (Deputy Chair)

Dr Shilkin was the CEO of Pathwest for ten years. Prior to that, he was the Head of Department of Pathology at Sir Charles Gairdner Hospital and held other Pathology appointments in Perth, Singapore, London and New York. He is widely published in the professional literature. He has held numerous positions in professional pathology and associated organisations and committees. He has been active over many years in various community organisations. Dr Shilkin was made a Member of the Order of Australia for services to medicine and the Jewish Community.

#### Dr Lianne Cretney-Barnes

Dr Cretney-Barnes has held senior positions in both private and public sector organisations for over 20 years and has considerable experience in strategic marketing, branding and business development. She has also worked in communications, recruitment, alumni relations, external and government relations and fundraising. She has won awards from the Australian Marketing Institute National Awards for Marketing Excellence in both 2002 and 2003. Dr Cretney-Barnes is also an Associate Fellow of the Australian Institute of Management and the Australian Marketing Institute, and a graduate of the Australian Institute of Company Directors.

#### Dr John Farrow

Dr Farrow has more than 25 years' experience in hydrometallurgy and has roles of Waterford site manager and Theme Leader within the Commonwealth Scientific and Industrial Research Organisation (CSIRO). He has worked on a broad range of collaborative research projects with all key Australian and overseas minerals processing companies, as well as a range of engineering companies, reagent suppliers and equipment manufacturers. Dr Farrow is a Fellow of the Australian Institute of Mining and Metallurgy and has received several awards for his research and technology transfer activities.

#### Dr Peter Stransky

Dr Stransky has over 25 years' experience as an industrial and production chemist, working mostly with industry on the Kwinana strip. His roles varied from research scientist to Commercial Manager and he has had considerable experience in designing and realising commercial industrial projects, including financial, contractual and technical aspects. Since 2006, he has continued to be involved in business development assignments for minerals and chemicals companies in his role as an independent consultant.

## OPERATIONAL STRUCTURE CONTINUED

**Mr David McAuliffe**

Mr McAuliffe is the founder of NeuroDiscovery and has been a Director since its' establishment. He has over 14 years' experience in the international Life Science sector. During this time he has been involved in numerous capital raisings and technology in-licensing exercises. Mr McAuliffe has an Honours degree in Law and a Bachelor of Pharmacy degree and is the President of the Dyslexia-Speld Foundation WA (Inc).

**Mr Bruce Brennan APM**

Mr Brennan was a WA career police officer for 39 years serving in most facets of policing but predominantly as a detective. He completed his Officer Training at the Victorian Police Officer College in 1986 and the Australian Police Staff College in NSW. In 1996 he was appointed Deputy Commissioner and State Commander and held this position until his retirement in 2003. In 2004 he worked with an AUSAid project based in Fiji as strategy adviser to Police Chiefs of the 14 Pacific Island Forum Countries. In 2006 he was appointed to the FESA Board and Chairs the Bush Fire Service Consultative Committee. In his role as Deputy Commissioner he served on many committees both local and national. He has a long involvement and understanding of working with Government and was awarded the Australian Police Medal in 1998 for services to Policing.

**Senior Officers****Mr Peter Millington  
Chief Executive Officer**

Mr Millington has worked in both the State and Australian public service. He has extensive experience in corporate management and has held the position of CEO at ChemCentre for four years.

**Mr Ross Blakey****Director Business and Corporate Services**

Mr Blakey has over 25 years' wide-ranging commercial experience in the private sector as an Executive Director and Company Secretary of public companies.

**Mr Peter McCafferty****Director Scientific Services Division**

Mr McCafferty has extensive experience in the public and private sector, utilising analytical chemistry and related science to solve problems for industry and the public.

**Mr Colin Priddis****Director Forensic Science Laboratory**

As a forensic scientist, Mr Priddis has over 25 years' experience delivering services and expert opinion to clients including WA Police, Office of the State Coroner and Racing and Wagering WA.

**Dr Neil Rothnie****Director Project Development**

Dr Rothnie has over 20 years' experience undertaking strategic research and investigation to protect Western Australia and contribute to State development.


**Administered Legislation**

ChemCentre does not administer any Act.

**Other Key Legislation Impacting on  
ChemCentre's Activities**

In the performance of its functions, ChemCentre complies with the following relevant written laws:

*Auditor General Act 2006;*  
*Contaminated Sites Act 2003;*  
*Disability Services Act 1993;*  
*Equal Opportunity Act 1984;*  
*Financial Management Act 2006;*  
*Freedom of Information Act 1992;*  
*Industrial Relations Act 1979;*  
*Minimum Conditions of Employment Act 1993;*  
*Occupational Safety and Health Act 1984;*  
*Public Sector Management Act 1994;*  
*Salaries and Allowances Act 1975;*  
*State Records Act 2000;* and  
*State Supply Commission Act 1991.*



## PERFORMANCE MANAGEMENT FRAMEWORK

### Outcome Based Management Framework

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, contributing to the achievement of the higher level government goals. The relationship between the government goals, agency level desired outcomes and associated services is tabulated below.

ChemCentre's effort is divided approximately 39% to services for government and 61% to fee-for-service activities, delivered to government and private sectors.

Government Goal	Desired Outcome	Outcomes
Social and Environmental Responsibility. Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the state.	Quality independent scientific advice, research and development, and an emergency response capability that support Government and the wider community.	<p><b>Outcome 1. Emergency Response</b> Special technical advice and support to government, other government agencies and industry in managing the risks arising from unmanaged chemical-biological-radiological releases delivered just in time.</p> <p><b>Outcome 2 &amp; 3. Scientific Information and Advice</b> Development and delivery of quality scientific information and advice, on a commercial basis, to government, industry and the community.</p> <p><b>Outcome 4. Research and Development</b> Project-based development of quality knowledge, know-how and/or intellectual property relevant to state development, public health and safety, or delivery of ChemCentre's other services</p>

### Changes to Outcome Based Management Framework

ChemCentre added Outcome 4 "Research & Development" to its Outcome Based Management Framework for the Annual Report ending 30 June 2009 and thereafter.

### Shared Responsibilities with Other Agencies

ChemCentre's Emergency Response service is largely delivered in support of the Department of Fire and Emergency Services, normally the controlling authority at such emergency events.

ChemCentre also provides an extensive forensic science service to the WA Police and the Office of the State Coroner.



## AGENCY PERFORMANCE - REPORT ON OPERATIONS

The twelve months results to 30 June 2013 at ChemCentre continue the increased commercial focus which commenced when the ChemCentre became a Statutory Authority in August 2007. As a consequence there has been a significant increase in external revenue compared with the previous year.

### Financial Targets: Actual performance compared to budget targets to 30 June 2013

ChemCentre has a history of providing a specialist service to government, at a net cost to government. The results for the twelve months to 30 June 2013 reflect an unfavourable variance against budget of \$2,976,000 for the net cost of services. Total income fell below budget by \$3,735,000 and the total cost of services shows a favourable variance against budget of \$759,000.

The unfavourable net deficit variance before tax is due the 'sale of goods and services' which was \$3,766,000 below budget due to the completion last year of the Esperance Cleanup and Recovery Project with the Department of Transport and a reduction in samples requiring analysis from the Water Corporation's ground water recharge project, as well as a significant reduction in revenue from workplace drug testing.

	Budget	Actual
Total Income	18,019,000	14,284,000
Total Cost of Service	24,797,000	24,038,000
Net Cost of Service	6,778,000	9,754,000
Service appropriation	7,754,000	7,754,000
Surplus/(Deficit) before tax for period	976,000	(2,000,000)



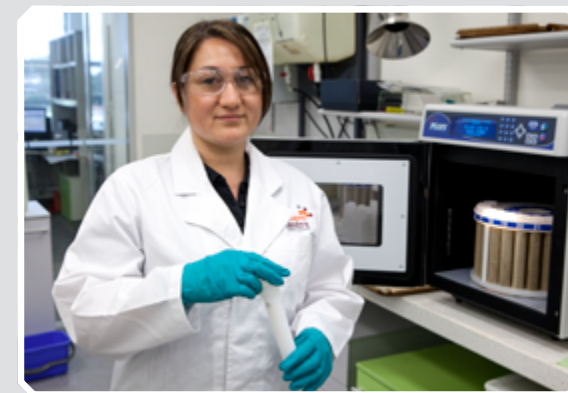
## Key Performance Indicators: Actual performance compared to budget targets

Key Effectiveness Indicators	Target	Achieved
Outcome 1: Emergency Response: Resolution Time	4 hr	1.9 hr
Outcome 2 & 3: Client satisfaction	80%	80%
Outcome 2 & 3: Proficiency Rating	95%	90%
Outcome 4: Aggregate Value of ChemCentre Components as a ratio of R&D sold to internal R&D	60/40	53/47
Outcome 4: Client Satisfaction	80%	85%
Key Efficiency Indicators		
Service 1: Average Cost/hour	\$187	\$200
Service 2: Average Cost/hour	\$474	\$176
Service 3: Average Cost/hour	\$315	\$232

Performance information relating to the services provided is presented at pages 58 to 62 of this report.

### SAFEGUARDING WA'S MINING INDUSTRY

ChemCentre is helping to safeguard the environmental and financial security of WA's mining industry with new methods that will make it possible for earlier identification of risks associated with acid mine drainage (AMD) in potential mine sites.



## Significant Issues Impacting the Agency

### Strategic Issues and Trends

#### Review of *Chemistry Centre (WA) Act 2007*

In line with the *Chemistry Centre (WA) Act 2007*, an independent panel completed the five-year review of the Act, which is due to be tabled in parliament in the next financial year. Key considerations included the relationship between the functions of ChemCentre as set out in the Act, its principles of operation, strategic direction and business model. Findings and recommendations from this review may influence ChemCentre's direction in the coming financial year and into the future.

#### Economic and market conditions

Whilst ChemCentre receives appropriations to support the provision services to Government agencies to protect, enhance and develop the community, the majority of ChemCentre's income is from revenue generated by the sale of analytical services. ChemCentre is experiencing a short-term revenue downturn due to market conditions associated with its client groups, constraints on public sector clients and cessation of major analytical contracts. Due to its fee-for-service model, and service delivery through memoranda of understanding, rather than contracts, ChemCentre is vulnerable to changes market conditions, in particular

a decrease in mining and resources activity. Further, changes in priorities and reallocation of funding to other programs within the public sector has resulted in decreased revenue from fee-for-service work from public sector clients.

#### Aligning expertise with emerging market opportunities

With a history dating back over 120 years, ChemCentre has long held the expertise and analytical capabilities to support Western Australia. However, with changing market conditions and ChemCentre's modern business model, these skills and services must be 'repackaged' to match the needs of potential clients. ChemCentre has already commenced redefining its traditional areas of expertise to better align with business priorities and emerging regulatory requirements. This has included diverse areas such as acid metalliferous drainage analysis, air monitoring and remediation of sites contaminated by clandestine drug laboratory activity.

#### Developing strategic partnerships

As a leader in analytical chemistry, ChemCentre is highly experienced in providing outstanding testing services and expertise in chemistry. However, emerging issues facing the community and industry require multi-disciplinary

collaboration to determine the best possible solutions and approaches. These issues include the environmental impact of mining activity and legacy issues of mine site closure, exposure to particles, dust and other chemicals in industrial areas, and cleanup of contaminated sites. ChemCentre is therefore identifying and developing partnerships with external agencies to create complementary skill sets within project teams and will continue to pursue these relationships in the coming year.

#### Informing public sector stakeholders

Whilst ChemCentre has a long history of supporting Western Australia through excellence in science and providing advice and services to manage State risks, it still has a relatively low profile amongst the public sector. Although recent initiatives have worked to raise ChemCentre's profile amongst government and the public sector, in this financial year, staff will work to promote better understanding of ChemCentre's purpose and current business model.

## Financial Issues and Trends

### Services provided free of charge

ChemCentre's forensic science services for WA Police are delivered via an annual memorandum of understanding. In 2012-13, ChemCentre provided some forensic analytical services free-of-charge. See Note 29 of the Financial Statements for more information.

## Operational Issues and Trends

### New operational structure

In the 2012-13 financial year, ChemCentre undertook a series of planning activities to develop internal resourcing models to improve the consistency of service delivery for all clients, as well as addressing workforce planning and staff management. As a result, a new operational structure within ChemCentre was launched on 1 July 2013, with clearer reporting lines and more defined division of workloads according to areas of scientific expertise. This structure will be refined over the next year to ensure suitability and sustainable service delivery.

### Method development

To contribute to the management of State risks, and create knowledge to maintain a commercial advantage, ChemCentre invests in targeted research and development, and particularly, method development. As this activity is often conducted alongside routine analytical work, increases in case loads and fee-for-service work means it can be difficult to ensure staff time is directed to this activity. New management of this portfolio and better recognition of this activity in staff performance reviews will ensure ChemCentre can stay 'ahead of the curve' in chemistry methods and knowledge.

### Rapid changes in workloads

Although ChemCentre has experienced an overall downturn in incoming fee-for-service work, specific areas within ChemCentre have been subject to major increases in samples submitted for analysis. ChemCentre is working to improve financial efficiency and utilisation of resources, including staff upskilling, adaptation of instruments for streamlined preparation and analysis and uptake of new technologies.

### Improving client interactions

As a service-oriented agency, a continuing issue impacting ChemCentre is the delivery of an outstanding client experience for all clients. In the past year, ChemCentre has worked to advance its communication and information management systems to improve client access to information, and create opportunities for clients to feedback to ChemCentre on their needs and priorities.

This has included the launch of a new communication program, centred on ChemCentre's website, e-newsletters and alerts. It has also included the launch of ChemCentre's proprietary laboratory information management system, Signa, to create better flexibility in managing client information and generating reports. In the next year, ChemCentre will work to improve feedback channels for clients, allowing ChemCentre to tailor fit-for-purpose services and support continuous improvement.

### Changes in Written Law

There were no changes in Written Law impacting upon ChemCentre in the 2012-13 period.



## AUDITOR'S OPINION



### Auditor General

#### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

#### CHEMISTRY CENTRE (WA)

##### Report on the Financial Statements

I have audited the accounts and financial statements of the Chemistry Centre (WA).

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

##### *Board's Responsibility for the Financial Statements*

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Centre's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

##### *Opinion*

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Chemistry Centre (WA) at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

## AUDITOR'S OPINION CONTINUED

**Report on Controls**

I have audited the controls exercised by the Chemistry Centre (WA) during the year ended 30 June 2013.

Controls exercised by the Chemistry Centre (WA) are those policies and procedures established by the Board 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 legislative provisions.

*Board's Responsibility for Controls*

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

*Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Chemistry Centre (WA) based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Centre complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

**Opinion**

In my opinion, the controls exercised by the Chemistry Centre (WA) are sufficiently adequate to 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 during the year ended 30 June 2013.

**Report on the Key Performance Indicators**

I have audited the key performance indicators of the Chemistry Centre (WA) for the year ended 30 June 2013.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

*Board's Responsibility 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 controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

*Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

**Opinion**

In my opinion, the key performance indicators of the Chemistry Centre (WA) are relevant and appropriate to assist users to assess the Centre's performance and fairly represent indicated performance for the year ended 30 June 2013.

**Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

**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 Chemistry Centre (WA) for the year ended 30 June 2013 included on the Centre's website. The Centre's management is responsible for the integrity of the Centre's website. This audit does not provide assurance on the integrity of the Centre's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. 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 refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL, ASSURANCE SERVICES  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
30 August 2013





## FINANCIAL STATEMENTS

### Certification of Financial Statements

The accompanying financial statements of ChemCentre have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2012 and the financial position as at 30 June 2013.

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



**R Blakey**

Director Business and Corporate Services

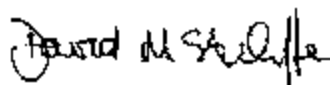
Date: 9 September 2013



**P Millington**

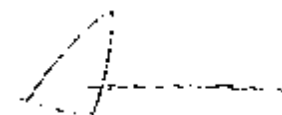
Chief Executive Officer

Date: 9 September 2013



**Member of Accountable Authority**

Date: 9 September 2013



**Member of Accountable Authority**

Date: 9 September 2013

## Statement of Comprehensive Income For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Provision of services	7	14,236	15,876
Interest revenue	8	43	23
Other revenue	9	5	5
Total Income		14,284	15,904
<b>EXPENSES</b>			
<b>Expenses</b>			
Employee benefits expense	10	12,402	11,772
Supplies and services	11	1,347	1,559
Depreciation and amortisation expense	12	1,364	1,315
Accommodation expenses	13	5,427	5,249
Other expenses	14	3,498	3,029
Total expenses		24,038	22,924
Loss before grants and subsidies from State Government		(9,754)	(7,020)
Service appropriation	15	7,754	8,695
Profit /(loss) before income tax expense		(2,000)	1,675
Income tax (expense)/Benefit	33(a)	391	(172)
Profit/(loss) after income tax expense		(1,609)	1,503
<b>Profit/(Loss) for the period</b>		(1,609)	1,503
<b>Total Comprehensive Income/(Loss) for the Period</b>		(1,609)	1,503

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

## Statement of Financial Position For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	28(a)	2,611	4,305
Prepayments	17	105	98
Receivables	16	1,037	1,431
Amounts receivable for services	18	965	965
<b>Total Current Assets</b>		4,718	6,799
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	19	-	81
Property, plant and equipment	20	4,093	3,468
Intangible assets	21	635	783
Sinking fund	22	954	662
Deferred tax assets	33(d)	1,001	881
<b>Total Non-Current Assets</b>		6,683	5,875
<b>TOTAL ASSETS</b>		11,401	12,674
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	24	1,155	1,616
Provisions	25	2,430	2,199
Other current liabilities	26	663	573
Current Tax Liabilities	33(c)	(42)	300
<b>Total Current Liabilities</b>		4,206	4,688

## Statement of Financial Position For the year ended 30 June 2013 continued

	Note	2013 \$'000	2012 \$'000
<b>Non-Current Liabilities</b>			
Provisions	25	820	702
<b>Total Non-Current Liabilities</b>		820	702
<b>TOTAL LIABILITIES</b>		5,026	5,390
<b>NET ASSETS</b>		6,375	7,284
<b>EQUITY</b>			
Contributed equity	27	4,743	4,043
Retained earnings		1,632	3,241
<b>TOTAL EQUITY</b>		6,375	7,284

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

## Statement of Changes in Equity For the year ended 30 June 2013

	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2011</b>	27	3,848	-	1,738	5,586
Total comprehensive income for the year		-	-	1,503	1,503
Transactions with owners in their capacity as owners:					
Capital appropriation		195	-	-	195
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		195	-	-	195
<b>Balance at 30 June 2011</b>		4,043	-	3,241	7,284
<b>Balance at 1 July 2012</b>		4,043	-	3,241	7,284
Total comprehensive income/(loss) for the year		-	-	(1,609)	(1,609)
Transactions with owners in their capacity as owners:					
Capital appropriation		700	-	-	700
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		700	-	-	700
<b>Balance at 30 June 2013</b>		4,743	-	1,632	6,375

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

## Statement of Cash Flows For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Provision of services		14,725	14,868
GST receipts on services		1,468	1,486
<b>Payments</b>			
Employee benefits		(12,053)	(11,692)
Accommodation		(5,317)	(4,696)
GST payments on purchases		(1,099)	(1,029)
GST payments to taxation authority		(95)	(575)
Other payments		(6,017)	(6,416)
<b>Net cash used in operating activities</b>	28	(8,388)	(8,054)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(1,841)	(1,271)
<b>Net cash used in investing activities</b>		(1,841)	(1,271)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Grants and subsidies		8,535	8,695
<b>Net cash provided by State Government</b>		8,535	8,695
<b>Net increase/(decrease) in cash and cash equivalents</b>		(1,694)	(630)
Cash and cash equivalents at the beginning of period		4,305	4,935
<b>CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD</b>		2,611	4,305

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



## Notes to the Financial Statements

### 1. Australian Accounting Standards

#### General

ChemCentre's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and interpretations issued by the Australian Accounting Standard Board (AASB).

In preparing these financial statements ChemCentre 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

ChemCentre cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by ChemCentre for the annual reporting period ended 30 June 2013.

### 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 2006* 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. ChemCentre is a for profit entity.

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 thousand dollars (\$'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying ChemCentre's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting

The initial application of Australian Accounting Standards that have been used in the process of applying accounting policies in the financial statements are included at Note 5 'Initial Application of Australian Accounting Standards.'

## Notes to the Financial Statements continued

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 included at Note 4 'Key sources of estimation uncertainty'.

### (c) Contributed equity

AASB Interpretation 1038 'Contribution by Owners Made to Wholly Owned Public Sector Entities' requires transfers, other than the result of a restructure of administrative arrangements, in the nature of equity contributions to be designated by the Government (the owner) as contributions by the owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasury Instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfers of Net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See Note 27 'Equity'.

Transfers of net assets to/from other agencies as a result of a restructure of administrative arrangements are accounted for as distributions to owners and contributions by owners respectively. Refer to Note 27 'Equity'.

### (d) Reporting entity

The reporting entity comprises the Chemistry Centre (WA) referred to as ChemCentre. There are no Related Bodies. See Note 36 'Related Bodies'.

### (e) 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:

#### Rendering of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

#### Interest

Revenue is recognized as the interest accrues.

#### Service appropriations

Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable holding account comprises the

depreciation expense for the period and any agreed increase in leave liability during the period.

### Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when ChemCentre obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions are recognised as revenues during the reporting period and were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes as Revenue Received in Advance. See Note 26 'Other Liabilities'.

### Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

## Notes to the Financial Statements continued

### (f) Income tax

ChemCentre operates within the National Tax Equivalent Regime ("NTER") whereby an equivalent amount in respect of income tax is payable to the WA Treasury. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government.

As a consequence of participation in the NTER, ChemCentre is required to comply with AASB 112 'Income Taxes'.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rate expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### (g) Property, plant and equipment and infrastructure

#### Capitalisation/Expensing of assets

Items of property, plant and equipment costing \$400 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing under \$400 are capitalised only if they form part of a group of similar items which is significant in total. Otherwise they are expensed direct to the Income Statement.

#### Initial recognition and measurement

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

For items of property, plant and equipment acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, ChemCentre uses the cost model for all property, plant and equipment. All items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

#### 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 on assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Plant and equipment	5 to 7 years
Office equipment	5 years
Software <sup>(a)</sup>	3 to 5 years
Motor vehicles	3 to 7 years

(a) Software that is integral to the operation of related hardware.

## Notes to the Financial Statements continued

### (h) Intangible assets

#### Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$400 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than \$400 are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by ChemCentre have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software <sup>(a)</sup>	3 to 5 years
-------------------------	--------------

(a) Software that is not integral to the operation of any related hardware.

### Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$400 is expensed in the year of acquisition.

### Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planned phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

### (i) Research and development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

### (j) Impairment of assets

Property, plant and equipment, infrastructure and intangible 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. 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/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

## Notes to the Financial Statements continued

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.

See Note 2(n) 'Receivables' and Note 16 'Receivables' for impairment of receivables.

### (k) Leases

ChemCentre currently holds operating leases (see Note 30). Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

### (l) Financial instruments

In addition to cash and cash equivalents, ChemCentre has two categories of financial instrument:

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

These have been disaggregated into the following classes:

#### Financial Assets

- Cash and cash equivalents
- Receivables
- Amounts receivable for services

#### Financial Liabilities

- Payables

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair 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.

### (m) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes restricted

cash and cash equivalents. These include 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.

### (n) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that ChemCentre will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See Note 2(l) 'Financial Instruments' and Note 16 'Receivables'.

### (o) Payables

Payables are recognised when ChemCentre becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See Note 2(l) 'Financial Instruments' and Note 24 'Payables'.

## Notes to the Financial Statements continued

### (p) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting period. See Note 25 'Provisions'.

#### (i) Provisions - Employee Benefits

##### Annual leave and long service leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers

the experience of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as ChemCentre does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because ChemCentre has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

##### Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional four weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

### Superannuation

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in Western Australia.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members, or to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

ChemCentre has no liabilities under the Pension or GSS Schemes. The liabilities for the unfunded Pension and GSS Schemes are assumed by the Treasurer. GSS is a scheme which transfers members' benefits from the Pension Scheme. All other GSS Scheme obligations are funded by concurrent contributions made by ChemCentre to GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS).



## Notes to the Financial Statements continued

Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. ChemCentre makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

See also Note 2(q) 'Superannuation expense'.

(ii) Provisions - Other

### Employment on-costs

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of ChemCentre's 'Employee benefits expense' and the related liability is included in Employment on-costs provision. See Note 14 'Other expenses' and Note 25 'Provisions'.

### (q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contribution paid to the GSS (concurrent contributions), the West State Superannuation Scheme, and the GESB Super Scheme.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

See also Note 2(p) 'Provisions - Employee Benefits' under Superannuation.

### (r) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled soon after the financial year end. ChemCentre considers the carrying amount of accrued salaries to be equivalent to the net fair value (refer Note 25 'Provisions').

### (s) Amounts receivable for services (holding account)

ChemCentre receives appropriation funding on an accrual basis that recognises the full annual cash and non cash cost of services. The appropriations are paid partly in cash and partly as an asset that is accessible on the emergence of the cash funding requirement to cover asset replacement.

### (t) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as at fair value. Where the resource received represents a service that ChemCentre would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognized in the Statement of Financial Position.

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

## Notes to the Financial Statements continued

### (u) Segment information

Segment information has been disclosed by service (*refer Note 40 'Schedule of Income and Expenses by Service'*).

### (v) Comparative figures

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

### 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. ChemCentre evaluates these judgements regularly.

### Operating lease commitments

ChemCentre has entered into a number of leases for motor vehicles and a property lease. It has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

### 4. Key sources of estimation uncertainty

The key estimates and 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 include:

- Estimating useful life and residual values of key assets and intangible assets;
- Long service leave – retention rates and discount rates.

### 5. Initial application of Australian Accounting Standards

ChemCentre has not applied any Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2010 that impacted on ChemCentre.

### 6. Future impact of Australian Accounting Standards not yet operative

ChemCentre 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'.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of ChemCentre, except for AASB 9 Financial Instruments, which becomes mandatory for the ChemCentre's 2014 financial statements and could change the classification and measurement of financial assets. ChemCentre does not plan to adopt this standard early and the extent of the impact has not been determined.

## Notes to the Financial Statements continued

### 7. Provision of services

Private sector

State Government sector

ChemCentre invoices clients on a fee for service basis for work performed.

The clients are organisations in the private sector and Western Australian State Government agencies.

### 8. Interest revenue

Interest revenue

### 9. Other revenue

Salary packaging recoveries

### 10. Employee benefits expense

Wages and salaries<sup>(a)</sup>

Superannuation – defined contribution plans

Long service leave<sup>(b)</sup>

Annual leave<sup>(b)</sup>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

(b) Includes a superannuation contribution component.

*Employment on-costs such as workers' compensation insurance and payroll tax are included at note 14 'Other Expenses'.*

*The employment on-costs liability is included at note 25 'Provisions'.*

### 11. Supplies and Services

Communications

Consumables

Materials

Travel

	2013	2012
	\$'000	\$'000
	5,677	6,855
	8,559	9,021
	14,236	15,876
	43	23
	43	23
	5	5
	5	5
	9,775	9,683
	1,084	1,021
	475	392
	1,068	676
	12,402	11,772
	13	13
	1,138	1,356
	31	86
	165	104
	1,347	1,559

## Notes to the Financial Statements continued

### 12. Depreciation and amortisation expenses

Depreciation

Plant, equipment and vehicles

Office Equipment

Amortisation

Software

**Total depreciation and amortisation**

### 13. Accommodation expenses

Property Rent<sup>(a)</sup>

Property Outgoings

Repairs and maintenance

Utilities

(a) ChemCentre reduced an accrual for Rent to be charged by Building Management and Works between 9 September 2009 to 30 June 2012 as a consequence of a settlement reached between Curtin University and the Builder BGC. The analysis of the credit for each financial year from 30 June 2010, is as follows:

Property rent to 30 June 2012

Credit for year ending 30 June 2010

Credit for year ending 30 June 2011

Credit for year ending 30 June 2012

Adjusted Rent to 30 June 2012

2013	2012
\$'000	\$'000
941	993
104	63
1,045	1,056
319	259
1,364	1,315
4,237	3,871
559	895
121	91
510	392
5,427	5,249
-	4,359
-	(139)
-	(171)
-	(178)
-	3,871

## Notes to the Financial Statements continued

### 14. Other expenses

Equipment repairs and maintenance

IT & Network Maintenance

Laboratory & Department of Mines and Petroleum Services

Postage, Printing and Stationery

Payments to Cooperative Research Centres

Motor Vehicle

Bad & Doubtful Debts

Payroll Tax

Consultant Fees

Relocation Costs

Staff training and miscellaneous staff expenses

Other minor Expenses

2013	2012
\$'000	\$'000
782	604
328	182
392	537
116	92
188	203
75	98
2	(16)
613	599
170	48
-	2
179	87
653	593
3,498	3,029
208	202
2,541	2,553
4,600	5,340
405	600
7,754	8,695

### 15. Service Appropriation<sup>(a)(b)</sup>

#### Appropriation received during the period

Salaries and Allowance Act 1975

CSO

Rent and Others

Asset Investment Plan

(a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable holding account comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

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



## Notes to the Financial Statements continued

### 16. Receivables

#### Current

Receivables trading

Receivables sundry

GST income tax credits

Allowance for impairment of receivables

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period

Amounts written off during the year

Amount recovered during the period

Balance at end of period

#### Credit Risk

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

Not more than 3 months

More than 3 months but less than 6 months

More than 6 months but less than 1 year

More than 1 year

Receivables individually determined as impaired at the balance sheet date:

Carrying amount, before deducting any impairment loss

Provision for Impairment loss

Included in the allowance for impairment of receivables, ChemCentre has some debtors the age of which places doubt on their recoverability. A general provision has been made against these debts.

See also note 2(n) 'Receivables' and note 32 'Financial Instruments'.

	2013	2012
	\$'000	\$'000
	880	1,202
	48	28
	147	237
	(38)	(36)
	1,037	1,431
	(36)	(53)
	(2)	(1)
	-	18
	(38)	(36)
	164	226
	56	33
	18	-
	1	-
	38	36
	(38)	(36)
	-	-

## Notes to the Financial Statements continued

### 17. Prepayments

Current

Moneys paid in advance for services to be performed

### 18. Amounts receivable for services

Non current

Represents the non-cash component of services appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

### 19. Restricted cash and cash equivalents

Accrued salaries suspense account<sup>(a)</sup>

(a) Amount held in the suspense account and only to be used for the purposes of meeting the 27<sup>th</sup> payroll in financial years which occur every eleven years. The amount was returned by Treasury during the year ended 30 June 2013.

2013	2012
\$'000	\$'000
105	98
965	965
-	81

## Notes to the Financial Statements continued

### 20. Property, plant and equipment

Plant, equipment and vehicles

At cost

Accumulated depreciation

Office equipment

At cost

Accumulated depreciation

Written down value of plant, equipment and office equipment

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

#### 2012

Carrying amount 1st July 2011

Additions

Disposals

Depreciation

Carrying amount at end of year

#### 2013

Carrying amount 1st July 2012

Additions

Disposals

Depreciation

Carrying amount at end of year

	2013	2012
	\$'000	\$'000
Plant, equipment and vehicles		
At cost	13,756	12,311
Accumulated depreciation	(9,930)	(8,989)
	3,826	3,322
Office equipment		
At cost	1,088	863
Accumulated depreciation	(821)	(717)
	267	146
Written down value of plant, equipment and office equipment	4,093	3,468

Plant, equipment and vehicles	Office equipment	Total
\$'000	\$'000	\$'000
3,600	92	3,692
715	117	832
-	-	-
(993)	(63)	(1,056)
3,322	146	3,468
3,322	146	3,468
1,445	225	1,670
-	-	-
(941)	(104)	(1,045)
3,826	267	4,093

## Notes to the Financial Statements continued

### 21. Intangible assets

Laboratory Information Management computer software development

At cost

Accumulated amortisation

Carrying amount at end of year

Reconciliation

Computer software

Opening carrying amount

Additions

Disposals

Amortisation expense

Carrying amount at end of year

### 22. Sinking fund

Amount held by Curtin for future building repairs and maintenance

### 23. Impairment of assets

There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2013.

ChemCentre held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2013 have either been classified as non-current assets held for sale or written-off.

### 24. Payables

#### Current

Trade payables

GST payable

Accrued expenses

	2013	2012
	\$'000	\$'000
	1,871	1,700
	(1,236)	(917)
	635	783
	783	603
	171	439
	-	-
	(319)	(259)
	635	783
	954	662
	285	278
	121	105
	749	1,233
	1,155	1,616

See also note 2(o) 'Payables' and note 32 'Financial Instruments Disclosure'.

## Notes to the Financial Statements continued

### 25. Provisions

#### Current

Employee benefits provision

Annual leave<sup>(a)</sup>

Long service leave<sup>(b)</sup>

#### Non-current

Long service leave<sup>(b)</sup>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date

More than 12 months after balance sheet date

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date

More than 12 months after balance sheet date

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at Note 14 'Other expenses'.

2013	2012
\$'000	\$'000
1,312	1,243
1,118	956
2,430	2,199
820	702
1,062	1,054
250	189
1,312	1,243
1,118	956
820	702
1,938	1,658



## Notes to the Financial Statements continued

### 26. Other liabilities

Current

Revenue received in advance

Revenue in advance relates to funds received from clients in respect of work to be completed within the following 12 months.

### 27. Contributed equity

Balance at the start of the period

Contributions by owners

Capital Contribution

Total Comprehensive income/(loss) for the year

Balance at end of period

2013	2012
\$'000	\$'000
663	573
663	573
7,284	5,586
700	195
(1,609)	1,503
6,375	7,284

## Notes to the Financial Statements continued

### 28. Notes to the Cash Flow Statement

#### (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 held with Commonwealth Bank

Cash on hand

2,610 4,304

1 1

2,611 4,305

#### (b) Reconciliation of profit/(loss) after income tax equivalents to net cash flows provided by/(used in) operating activities

Profit/(Loss) after income tax equivalents

(1,609) 1,503

Non-cash items:

Depreciation and amortisation expense

1,364 1,315

Grants and subsidies from Government

(7,835) (8,695)

(Increase)/decrease in assets:

Current receivables

394 777

Sinking funds

(292) (230)

Accrued salaries suspended account

81 -

Amounts receivable for services and prepayments

(7) 24

Increase/(decrease) in liabilities:

Current payables

23 (1,145)

Accrued expenses

(484) (977)

Accrued salaries

0 (1)

Employee benefits

349 80

Revenue in advance

90 (304)

Provision for tax

(462) (401)

Net GST receipts/(payments)

(95) (575)

Change in GST in receivables/payables

95 575

Net cash (used in) operating activities

(8,388) (8,054)

## Notes to the Financial Statements continued

### 29. Services provided free of charge

During the period the following services were provided to other agencies free of charge:

Western Australian Police – Drug analysis, special crime and soil comparison not covered in the memorandum of understanding between WA Police and ChemCentre

### 30. Lease Commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

Representing:

Cancellable operating leases

Non-Cancellable operating leases

Future finance charges on finance leases

	2013	2012
	\$'000	\$'000
	503	-
	503	-
	4,950	5,077
	19,710	20,209
	55,090	61,528
	79,750	86,814
	-	-
	79,750	86,814
	-	-
	79,750	86,814

ChemCentre moved to the Resources and Chemistry Precinct, Building 500 in Bentley on 9 September 2009. Building Management and Works on behalf of the Minister for Housing and Works negotiated the final rent payment per annum with Curtin on behalf of ChemCentre based on the final building cost. Included in non cancellable operating leases are rent payments to Curtin for 16 years and 68 days, being the remaining term of the Lease. This amounts to \$68.8 million for rent and management fee and \$10.9 million for outgoings.

## Notes to the Financial Statements continued

### 31. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2013. Significant variations are considered to be those greater than \$250,000.

#### Significant variances between estimate and actual results for the financial period

	2013 Estimate \$'000's	2013 Actual \$'000's	Variation \$'000's
Income <sup>(a)</sup>	14,966	14,284	(682)
Supplies and Services <sup>(b)</sup>	2,892	1,347	1,545
Accommodation Expenses <sup>(c)</sup>	5,406	5,427	(21)
Other expenses <sup>(d)</sup>	3,451	4,862	(1,411)

(a) Income: Below budget mainly due to reduced sample numbers from the Ground Water Replenishment Trial and less income from workplace drug testing.

(b) Supplies and Services: The decrease reflects changes in the classification of expenses between Supplies and Services and Other Expenses. The main reclassification is administration expense initially recorded under Supplies and Services in the budget estimates and now recorded under Other expenses.

(c) Accommodation Expenses: The actual increase in rent reflects an increase in utilities expenses.

(d) Other Expenses: The increase reflects changes in classification of expenses between Supplies and Services and Other Expenses. The main reclassification is administrative expense initially recorded under Supplies and Services in the budget estimates and now recorded under Other expenses.

#### Significant variances between actual and prior year actual – revenues and expenditures

	2012 Actual \$'000's	2013 Actual \$'000's	Variation \$'000's
Income <sup>(a)</sup>	15,904	14,284	(1,620)
Accommodation Expenses <sup>(b)</sup>	5,249	5,427	(178)

(a) Income: Below actual last year due to less work place drug testing and the completion of two contracts with Water Corporation and Department of Transport, which formed a large part of revenue in the previous year. The decrease also includes \$442k less revenue from WA Police in response to WA government's efficiency dividends.

(b) Accommodation Expenses: Exceeded actual last year due to the higher utilities costs.

## Notes to the Financial Statements continued

### 32. Financial Instruments Disclosures

#### (a) Financial Risk Management Objectives and Policies

Financial instruments held by ChemCentre are cash and cash equivalents, Treasurer's advances and receivables and payables.

ChemCentre has limited exposure to financial risks. ChemCentre's overall risk management program focuses on managing the risks identified below.

##### *Credit risk*

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

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment. ChemCentre trades only with recognised, creditworthy third parties. ChemCentre has policies in place to ensure that sales 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 ChemCentre's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on 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 16 'Receivables'.

##### *Liquidity risk*

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

ChemCentre has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

##### *Market risk*

ChemCentre has no exposure to market risk.

## Notes to the Financial Statements continued

### (b) Categories of Financial Instruments

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

#### Financial Assets

Cash and cash equivalents

Loans and receivables

Restricted cash held for financial year with 27 payrolls  
held in accounts with the Department of Treasury and Finance

#### Financial Liabilities

Financial liabilities measured at amortised cost<sup>(a)</sup>

(a) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable).

Interest rate risk

ChemCentre does not hold any interest bearing deposits or pay interest on any loans. Therefore there is no interest rate risk.

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.

**2013**  
**\$'000**

**2012**  
**\$'000**

2,611

4,305

1,037

1,431

-

81

1,155

1,616



## Notes to the Financial Statements continued

### 33. Taxation Equivalent

#### (a) Income tax expense

Current income tax

Deferred tax

Prior Year deduction for R&D

#### Net Current and Deferred Tax transferred to Income Statement

#### (b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/(loss) before income tax equivalents

#### Tax effect of amounts which are not deductible in calculating taxable income:

Accounting depreciation on tax fixed assets incl. R&D assets

Net movement in provisions

Accruals requiring adjustment (not incurred)

Entertainment

Non-deductible pre transitional LSL payments

Total add back items

#### Tax effect of amounts which are deductible in calculating taxable income:

Depreciation – tax (excluding R&D assets)

Reduction in bad debts provision

Deductions

Taxable Income / (loss)

Income Tax expected to be paid at statutory rate (30%)

Current Income Tax

#### (c) Current Tax Liability

Opening Balance as 1 July 2012

Current Tax

Tax equivalent refundable (prior year deduction for R & D)

Tax paid

#### Closing balance as 30 June 2013

	2013	2012
	\$'000	\$'000
	-	571
	(120)	(68)
	(271)	(331)
	(391)	172
	(2,000)	1,675
	1,364	1,315
	351	79
	49	-
	3	4
	-	162
	1,767	1,560
	(1,364)	(1,315)
	-	(16)
	(1,364)	(1,331)
	(1,597)	1,904
	-	571
	-	571
	(300)	(573)
	-	(571)
	300	271
	42	573
	42	(300)

## Notes to the Financial Statements continued

### 33. Taxation Equivalent continued

#### (d) Deferred Tax Assets

##### Opening Balance as 1 July 2012

Credited/(Charged) to Income Statement

Movement attributable to prior year adjustments

##### Closing balance as 30 June 2013

A deferred tax asset, from timing differences, has been recognised in the Statement of Financial Position. A \$716,000 deferred tax asset from the tax loss has been carried forward and will not be recognised until ChemCentre can demonstrate a track record of profitability in the foreseeable future.

2013	2012
\$'000	\$'000
881	753
120	68
	60
1,001	881

## Notes to the Financial Statements continued

**2013**  
**\$'000**
**2012**  
**\$'000**

### 34. 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

\$

1 – 10,000

- 5

10,001 – 20,000

6 2

20,001 – 30,000

1 -

The total remuneration of members of the accountable authority is:

\$113,055 \$81,450

The total remuneration includes the superannuation expense incurred by ChemCentre in respect of members of the accountable authority.

No members of the accountable authority are members of the Pension Scheme.

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:

\$

130,001 - 140,000

- 1

140,001 – 150,000

- -

160,001 – 170,000

1 3

170,001 - 180,000

- -

180,001 - 190,000

2 -

190,001 - 200,000

1 -

200,001 - 300,000

1 1

The total remuneration of senior officers is:

\$981,299 \$988,155

The superannuation included here represents the superannuation expense incurred by ChemCentre 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.

## Notes to the Financial Statements continued

### 35. Remuneration of auditor

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

Auditing the accounts, financial statements and performance indicators

The expense is included at Note 14 'Other expenses'.

### 36. Related bodies

There are no related bodies.

### 37. Affiliated bodies

There are no affiliated bodies.

### 38. Special purpose accounts

There are no special purpose accounts.

### 39. Supplementary financial information

#### Write-offs

There was no public property written off by ChemCentre during the financial period

#### Losses through theft, defaults and other causes

Losses of public money and public and other property through theft or default amounts recovered

#### Gifts of public property

Gifts of public property provided by ChemCentre

**2013**  
**\$'000**

**2012**  
**\$'000**

49

47

-

-

-

-

-

-

## Notes to the Financial Statements continued

### 40. Schedule of Income and Expenses by Service

#### INCOME

Provision of services

Interest Revenue

Other Income

#### Total income

#### EXPENSES

Employee benefits expense

Supplies and services

Depreciation and amortisation expense

Accommodation expenses

Loss on disposal of non-current assets

Other expenses

#### Total expenses

#### Profit/(loss) before grants and subsidies from State Government

Net Appropriation from State Government

#### Profit/(Loss) after Net Appropriation from State Government

#### Profit/(Loss) before income tax equivalents expense

Income tax equivalent benefit/(expense)

#### Profit/(Loss) for the period

Service 1 Scientific Information and Advice 2012 \$'000	Service 2 Research and development 2012 \$'000	Service 3 Emergency Response Management 2012 \$'000	Total 2012 \$'000
13,290	1,447	1,139	15,876
23	-	-	23
5	-	-	5
13,318	1,447	1,139	15,904
9,854	1,073	845	11,772
1,559	-	-	1,559
1,315	-	-	1,315
5,249	-	-	5,249
-	-	-	-
2,361	374	294	3,029
20,338	1,447	1,139	22,924
(7,020)	-	-	(7,020)
8,695	-	-	8,695
1,675	-	-	1,675
1,675	-	-	1,675
(172)	-	-	(172)
1,503	-	-	1,503

## Notes to the Financial Statements continued

### 40. Schedule of Income and Expenses by Service (continued)

#### INCOME

Provision of services

Interest revenue

Other Income

#### Total income

#### EXPENSES

Employee benefits expense

Supplies and services

Depreciation and amortisation expense

Accommodation expenses

Loss on disposal of non-current assets

Other expenses

#### Total expenses

#### Profit/(loss) before grants and subsidies from State Government

Net Appropriation from State Government

#### Profit/(Loss) after Net Appropriation from State Government

#### Profit/(Loss) before income tax equivalents expense

Income tax equivalent benefit/(expense)

#### Profit/(Loss) for the period

Service 1 Scientific Information and Advice	Service 2 Research and development	Service 3 Emergency Response Management	Total
2013	2013	2013	2013
\$'000	\$'000	\$'000	\$'000
11,661	958	1,617	14,236
43	-	-	43
5	-	-	5
11,709	958	1,617	14,284
10,158	835	1,409	12,402
1,347	-	-	1,347
1,364	-	-	1,364
5,427	-	-	5,427
-	-	-	0
3,167	123	208	3,498
21,463	958	1,617	24,038
(9,754)	-	-	(9,754)
7,754	-	-	7,754
(2,000)	-	-	(2,000)
(2,000)	-	-	(2,000)
391	-	-	391
(1,609)	-	-	(1,609)

### 41. Contingent Liability

As at the date of this report there were no contingent liabilities.

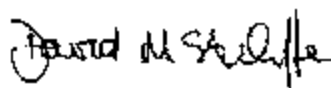




## KEY PERFORMANCE INDICATORS

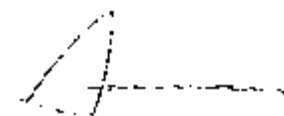
### Certification of Key Performance Indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess ChemCentre's performance, and fairly represent the performance of ChemCentre for the year ended 30th June 2013.



**Member of Governing Board**

Date: 9 September 2013



**Member of Governing Board**

Date: 9 September 2013

### Government Goal

#### Social and environmental responsibility

Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State.

#### Agency Level Government Desired Outcome:

Quality independent scientific advice, research and development, and an emergency response capability that supports government and the wider community.

## Key Effectiveness Indicators by Output

### Outcome 1: Emergency Response Management

Specialist technical advice and support to government and industry in managing the risks arising from unmanaged chemical-biological-radiological releases.

#### Key Effectiveness Indicator

**Average Resolution Time for all emergency response incidents attended:** *extracted from the response team log book*

The average response and resolution time is relevant because the quicker ChemCentre responds to and resolves a chemical-biological-radiological emergency, the lower the risk to the community.

2011-12	2012-13	2012-13
Actual	Actual	Target
2.1 hr	1.9 hr	4 hr

### Outcome 2 & 3: Commercial Scientific Information and Advice

Development and delivery of quality scientific information and advice, including commercial services, to government, industry and the community.

#### Key Effectiveness Indicators

**Client Satisfaction:** *as determined by a quarterly survey of clients randomly selected from the invoices sent out in the preceding quarter. The survey covered 176 organizations with 100% response rate, representing about 20% of all clients we dealt with in the preceding quarter.*

The client satisfaction percentage is a relevant measure because it demonstrates the quality of ChemCentre's scientific information and advice through clients' responses to questions on quality, timeliness and overall satisfaction with ChemCentre's service. The actual client satisfaction for 2013 was taken at a 95% confidence level and a sampling error of  $\pm 6.6\%$ .

**Proficiency Rating for the Accredited Services:** *this includes performance in qualitative and quantitative trials undertaken during the relevant year, whether internally or externally sourced and is determined by the percentage of samples satisfactorily meeting the evaluation criteria of the proficiency trial provider.*

2011-12	2012-13	2012-13
Actual	Actual	Target
80%	80%	80%
91.5%	90.1%	95%

Proficiency testing can be a sound measure for assessing quality; however, it does not readily lend itself to quantification with the target of 95%; a somewhat artificial construct to serve as a KEI. Our management of non-conformance is entirely compliant with our accreditation requirements and the international standard on which it is based and consequently the small deviation from target (should it be statistically significant) does not reflect a decline in quality.

## Key Effectiveness Indicators by Output continued

### Outcome 4: Quality Research and Development

Delivery of quality project-based developed knowledge, know-how and/or intellectual property relevant to state development, public health and safety, or delivery of ChemCentre's other services.

#### Key Effectiveness Indicators

**Aggregate value of ChemCentre Components:** *as determined by the ratio of R & D sold or for which a grant has been received to internal R & D amount spent.*

2011-12	2012-13	2012-13
Actual	Actual	Target
46/54	53/47	60/40

The ratio of R & D sold or for which a grant has been received, to internal R & D amount spent, is relevant because it demonstrates to ChemCentre's management the spending of appropriations by maintaining or bettering the budget ratio of in house spending to external funding.

**Client Satisfaction:** *as determined by an annual survey of clients randomly selected from R&D projects fully or substantially completed over the previous financial year. Four responses were collected from 10 survey invitations, representing approximately 40% of ChemCentre's total current R&D projects.*

83%	85%	80%
-----	-----	-----

The client satisfaction percentage is a relevant measure because it demonstrates the quality of ChemCentre's R & D, through clients' responses to questions on quality, timeliness and their desire to use ChemCentre again. The actual client satisfaction for 2013 was taken at a 95% confidence level and a sampling error of  $\pm 40.1\%$ .

#### NOTES

##### Outcome 1: Emergency Response Management

The 2013 average response and resolution time of 1.9 hrs is an improvement over previous year and betters the target; it is therefore an acceptable Outcome.

##### Outcome 2 & 3: Commercial Scientific Information and Advice

The client satisfaction of 80% is 3% in line with prior year and meets target for the current year. This is a pleasing result and demonstrates ChemCentre's commitment to providing quality and timely commercial solutions. The proficiency rating is lower than previous year and target but is still considered an acceptable result because it does not reflect a decline in quality.

##### Outcome 4: Quality Research and Development

The ratio of R & D sales to in-house contribution shows an improvement over previous year but is below target. The actual includes non funded community service obligations such as mandated outreach and method development. Both benefited the State and the latter also provided a sound base for commercial activity.

The Client Satisfaction percentage was better than target and an improvement over previous year. However due to the small sample size the improvement is not considered significant.

## Key Efficiency Indicators by Service

### Service 1: Commercial Scientific Information and Advice<sup>(a)</sup>

Development and delivery of scientific information and advice, including commercial services, to government, industry and the community.

#### Key Efficiency Indicator

Total cost for service

**Billable hours:** *as calculated for the average staffing over the period*

Average Cost per Chargeable Hour<sup>(a)</sup>

2011-12	2012-13	2012-13
Actual	Actual	Target
\$20,338,000	\$21,463,000	\$20,339,000
110,937 hr	107,182 hr	109,000 hr
\$183	\$200	\$187

### Service 2: Research and Development<sup>(a)(b)</sup>

Project-based development of knowledge, know-how and/or intellectual property relevant to state development, public health and safety, or delivery of ChemCentre's other services.

#### Key Efficiency Indicator

Total cost for service

Billable hours: as calculated for the average staffing over the period

Average Cost per Chargeable Hour<sup>(b)</sup>

2011-12	2012-13	2012-13
Actual	Actual	Target
\$1,447,000	\$958,000	\$3,173,000
6,278 hr	5,445 hr	6,700 hr
\$230	\$176	\$474

## Key Effectiveness Indicators by Service continued

### Service 3: Emergency Response Management<sup>(a)(c)</sup>

Specialist technical advice and support to government and industry in managing the risks arising from unmanaged chemical-biological-radiological releases.

	2011-12	2012-13
	Actual	Actual
<b>Key Efficiency Indicator</b>		
Total cost for service	\$1,139,000	\$1,617,000
Billable hours: <i>as calculated for the average staffing over the period</i>	4,079 hr	6,969 hr
Average Cost per Chargeable Hour <sup>(c)</sup>	\$279	\$232

#### NOTES

(a) Service 1 average cost per billable hour is higher than budget because of the impact of lower productivity over budget. The lower productivity resulted from lower revenue and less work than previous year. Chargeable hours for service 2 and 3 are the actual hours recorded and extracted from laboratory records and charged against those services. The chargeable hours for service 1 are calculated and based on full time equivalents.

(b) Service 2 average cost per billable hour is lower than last year. The ratio of paid to unpaid R & D has improved as the previous year included method development for counter-terrorism analysis for the Commonwealth Heads of Government Meeting and synthetic drug identification techniques not funded by appropriations.

(c) Service 3 average cost per billable hour is lower than previous year because of the higher number of hours attributable to providing the service. More hours were spent in 2012-13 because of additional work in providing an improved Emergency Response capability.

## Ministerial Directives [TI 903(12)]

No Ministerial directives were received during the financial period.

## OTHER FINANCIAL DISCLOSURES

### Pricing policies of services provided

ChemCentre has discretion over pricing for goods and services rendered.

### Employment and Industrial Relations

#### Staff Profile

	2012-13	2011-12
Full-time permanent	89	77
Full-time contract	29	39
Part-time measured on a FTE basis	6	10
	124	126

### Staffing policies and staff development

ChemCentre is committed to the attraction and retention of a skilled and motivated workforce. This commitment includes succession management and long-term development, the on-going review of corporate policies and procedures, including recruitment and selection practices. ChemCentre offers an indigenous scholarship for undergraduates, work experience opportunities and placements for TAFE and university students during the year to help individuals considering a career in the chemistry related analysis and research.

ChemCentre has a commitment to the development of its employees. Our strategies are to build a highly skilled professional and diverse workforce with the ability to adapt to changing business technology and the environment. More than 7% of direct salary costs were invested in training and professional development this financial year. During the financial period, staff spent in excess of \$864,748 on in-house and external training compared with \$746,160 (7%) in 2011-12.

### Workers' Compensation

Seven claims were made this financial year, all of a minor nature with the exception of one claim that involved lost time. Total lost time days were 47 for the period to 30 June 2013. Human Resources follow up any accident report to assist with lodging workers' compensation claims.





## GOVERNANCE DISCLOSURES

### Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with ChemCentre and Senior Officers.

### Insurance premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2012/2013 was \$4,007 compared with \$6,555 in 2011/2012.

## OTHER LEGAL REQUIREMENTS

### Compliance with Public Sector Standards and Ethical Codes

In accordance with s31(1) of the *Public Sector Management Act 1994*, ChemCentre has ensured compliance with the public sector standards, the WA Public Sector *Code of Ethics* by the following actions:

1. Reviewed 33% of all ChemCentre policies and 8 new policies were introduced within the previous 12 months to ensure compliance with current government requirements;
2. Ensured the ChemCentre's Code of Conduct supported the WA Public Sector *Code of Ethics* and the Public Sector standards;
3. Raised ChemCentre employees' awareness of its Code of Conduct and WA Public Sector *Code of Ethics* through CEO-led communication sessions.
4. Using the actions listed above, the following results have been achieved.

Compliance area	Compliance issues
Public Sector standards	1 breach claim
WA Code of Ethics	0 reports of non-compliance
ChemCentre Code of Conduct	0 reports of non-compliance

### Electoral Act 1907 section 175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, ChemCentre is required to report on expenditure incurred during the financial period in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The details of the report are as follows:

#### Expenditure with Advertising Agencies

Expenditure with Trade Publications	-
Expenditure with Polling Agencies	-
Expenditure with Direct Mail Agencies	-
Expenditure with Media Advertising Agencies (Generator & Adcorp)	\$3,375
<b>TOTAL EXPENDITURE</b>	<b>\$3,375</b>

### Annual Estimates

ChemCentre complied with the relevant sections of the *Financial Management Act 2006* by meeting the requirements and targets for submitting annual estimates.

Section 40 of the *Financial Management Act 2006* provides for the accountable authority of a statutory authority to submit annual estimates

## OTHER LEGAL REQUIREMENTS CONTINUED

of the annual operations of the statutory authority to the Minister for approval.

The estimates are to be prepared and submitted to the Minister at such times as determined by the Treasurer, or no later than three months before the commencement of the next financial year.

Statutory authorities not funded as a separate Division of the Consolidated Account Expenditure Estimates should include the approved annual estimates for the current financial period in the annual report of the preceding financial year submitted to the responsible Minister under the provisions of section 61 of the Act.

### Disability Access and Inclusion Plan Outcomes

ChemCentre's Disability Access and Inclusion Plan (DAIP) is available to the public on its website. ChemCentre has completed 11 of the 2012/13 outcomes incorporated into the plan.

Current initiatives address the following desired DAIP outcomes:

1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, ChemCentre.
2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of ChemCentre.

3. People with disabilities can request to receive information from ChemCentre in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disabilities receive the same level and quality of service from the staff of ChemCentre as other people receive.
5. People with disabilities have the same opportunities as other people to make complaints to ChemCentre.
6. People with disabilities have the same opportunities as other people to participate in any public consultation by ChemCentre.

### Recordkeeping Plan

In compliance with the *State Records Act 2000*, ChemCentre has an approved recordkeeping plan.

#### 1. Efficiency and Effectiveness

To improve ChemCentre's recordkeeping system, new staff have been given training sessions in using the document management system.

#### 2. Training

93% of ChemCentre staff has completed the online training program for records awareness. 2 new staff members were retrained on the Records Management System.

3. An evaluation of the efficiency and effectiveness of recordkeeping training is assessed each financial year.

#### 4. Induction Program

ChemCentre has mandatory records and document management training that all employees attend as part of their induction. In addition, new staff members are required to complete the online training program for records awareness and attend a small group or a one on one training session on the Records Management System. Pamphlets covering a range of recordkeeping topics are provided to all new employees as part of the induction package.

### Occupational Safety, Health and Injury Management

ChemCentre has policies and procedures committing it to sound occupational health and safety and injury management practices. All new employees receive an intensive safety induction. An ongoing program of safety training is carried out on a monthly basis.

The Occupational Safety and Health Committee, including safety representatives nominated by employees and an executive appointed safety officer, form the key to occupational safety and health consultation. The Committee members and safety officer are accessible and effectively utilised by both management and employees in the discussion and resolution of occupational safety and health issues.

## OTHER LEGAL REQUIREMENTS CONTINUED

The Occupational Safety and Health Committee meets monthly to discuss and resolve occupational issues, review hazard and incident reports and review progress against the Occupational Safety and Health Plan.

In accordance with the *Workers' Compensation and Injury Management Act 1981*, ChemCentre has a documented injury management system which is readily available to all employees through the intranet. A return to work program strategy has been developed.

ChemCentre's Occupational Safety and Health Plan is monitored internally on a monthly basis and outcomes reported to the Board.

Annual performance for 2012/13 against the following targets:

Indicator	2011-12	2012-13 <sup>(1)</sup>	Target 2012-13	Result
Number of fatalities	0	0	Zero (0)	Target achieved.
Lost time injury/disease (LTI/D) incidence rate	1 day	47 days	Zero (0) or 10% reduction on previous year	Target not achieved.
Lost time injury severity rate	0.0	0.0	Zero (0) or 10% improvement on previous year	Target achieved. 0 (Zero)
Percentage of injured workers returned to work within 28 weeks	100%	100%	Actual percentage result	100% of injured workers returned to work.
Percentage of managers trained in occupational safety, health and injury management responsibilities	60%	83%	Greater than or equal to 80%	Target achieved.

Notes:

(1) The results are sourced from the RiskCover's Performance Worksheet 2013 and internal training records.



## PUBLICATIONS & PRESENTATIONS

### Research Papers

Adhikari, KN, Edwards, OR, Wang, SF, Ridsdill-Smith & TJ, Buirchell, B 2012 'The role of alkaloids in conferring aphid resistance in yellow lupin (*Lupinus luteus L.*)', *Crop and Pasture Science*, vol. 63, pp. 444-451.

Ahmad-Hamdani, S, Yu, Q, Han, H, Cawthray, G, Wang, SF, Powles, SB 2013 'Herbicide resistance endowed by enhanced rates of herbicide metabolism in wild oat (*Avena spp.*)', *Weed Science*, vol. 61, pp. 55-62.

DeTata, DA, Collins, PA, McKinley, AJ 2013 'A comparison of common swabbing materials for the recovery of organic and inorganic explosive residues' *Journal of Forensic Sciences*, vol. 58, pp. 757-763.

DeTata, DA, Collins, PA & McKinley AJ 2013 'A comparison of solvent extract cleanup procedures in the analysis of organic explosives', *Journal of Forensic Sciences*, vol. 58, pp. 500-507.

DeTata, DA, Collins, PA & McKinley AJ 2013 'An investigation into the fate of organic explosives in soil', *Australian Journal of Forensic Sciences*, vol. 45, pp. 1-14.

Edmunds, R, Locos, O, Brown, D & Reynolds, D 2013 'Identification of the synthetic cannabinoid (1-(cyclohexylmethyl)-1H-indol-3-yl) (4-methoxynaphthalen-1-yl)methanone on plant material', *Microgram Journal*, vol. 10, pp. 3-9.

Harper, RJ, Okom, AEA, Stilwell, AT, Tibbett, M, Dean, C, George, SJ, Sochacki, SJ, Mitchell, CD, Mann, SS & Dods, K 2012 'Reforestation degraded agricultural landscapes with Eucalypts: effects on carbon storage and soil fertility after 26 years', *Agriculture, Ecosystems & Environment*, vol. 163, pp. 3-13.

Locos, O & Reynolds, D 2012 'The Characterization of 3,4-Dimethylmethcathinone (3,4-DMMC)', *Journal of Forensic Sciences*, vol. 57, pp. 1303-1306.

Maric, M, van Bronswijk, W, Lewis, SW & Pitts, K 2012 'Rapid characterisation and classification of automotive clear coats by attenuated total reflectance infrared spectroscopy', *Analytical Methods*, vol. 4, pp. 2687-2693.

Real, D, Sandral, GA, Rebuffo, M, Hughes, SJ, Kelman, WM, Mieres, JM, Dods, K & Crossal, J 2012 'Breeding of an early-flowering and drought-tolerant *Lotus corniculatus L.* variety for the high-rainfall zone of southern Australia', *Crop & Pasture Science*, vol. 63, pp. 848-857.

Rigby, H, Pritchard, D, Collins, D, Walton, K & Penney, N 'The use of alum sludge to improve cereal production on a nutrient-deficient soil', *Environmental Technology*, vol. 34, pp. 1359-1368.

Wilkinson, S, Muir, B & Coumbaros, J 2013 'Field-deployable devices', *Encyclopedia of Forensic Sciences, Second Edition*, vol. 3, pp. 641-645.

## PUBLICATIONS &amp; PRESENTATIONS CONTINUED

Yu, Q, Han, H, Cawthray, G, Wang, SF, Powles, SB 2013 'Enhanced rates of herbicide metabolism in low herbicide-dose selected resistant *Lolium rigidum*', *Plant, Cell and Environment* vol. 36, pp. 818-827.

### Conference Presentations and Posters

Abdulla, R, Gu, DY, Wang, SF, Yang, Y & Aisa, HA 2012 'Characterization of chemical compositions in the extraction from the peel of pomegranate by liquid chromatography coupled to quadrupole time-of-flight tandem mass spectrometry', presented at the 3<sup>rd</sup> International Symposium on Edible Plant Resources and the Bioactive Ingredients, Urumqi, China.

Davies, M, Edmunds, R, Oosthuizen, F, Sumner, N, Reynolds, D & Collins-Brown, L 2012 'The emergence and evolution of synthetic cannabinoids in Western Australia', presented at the Australian and New Zealand Forensic Science Society 21<sup>st</sup> International Symposium on the Forensic Sciences, Hobart, Australia.

DeTata, D 2012 'Explosives and propellants analysis using LC-QToF-MS', presented at the Australian Energetic Materials Symposium, Adelaide, Australia.

Edmunds, R 2012 'Rapid identification of synthetic cannabinoids by LC-QTOFMS', presented at the Australian and New Zealand Forensic Science Society 21<sup>st</sup> International Symposium on the Forensic Sciences, Hobart, Australia.

Evans, B 2012 'Microbial degradation of dyes in coloured clothing', presented at the Australian and New Zealand Forensic Science Society 21<sup>st</sup> International Symposium on the Forensic Sciences, Hobart, Australia.

McCafferty, P, Blair, P, Jambol, I & Garbin, S 2012 'Ensuring sustainable water resources for Perth, Western Australia', presented at Singapore International Water Week, Singapore.

McCafferty, PB, Devenish, M, Burton, HM, Jackson, M, North, M & Winchester, W 2012 'Assessment and remediation of lead contamination in Esperance, Western Australia', presented at the 16<sup>th</sup> International Conference on Heavy Metals in the Environment, Rome, Italy.

Powell, R & Coumbaros, J 2012 'Case study: discrimination of automobile constant-velocity joint (CV) grease', presented at the Australian and New Zealand Forensic Science Society 21<sup>st</sup> International Symposium on the Forensic Sciences, Hobart, Australia.

Powell, R, Priddis, C, van Bronswijk, W, Heald, J, Collins, P, Coumbaros, J, Donovan, R, Davies, M, Pitts, K & Evans, B 2012 'Development of a microspectrophotometric spectrum database for statistical discrimination of textile fibres', presented at the Australian and New Zealand Forensic Science Society 21<sup>st</sup> International Symposium on the Forensic Sciences, Hobart, Australia.

Priddis, C, 2012 'Keynote Address - Moving Forward with Chemical Criminalistics', presented at the Australian and New Zealand Forensic Science Society 21<sup>st</sup> International Symposium on the Forensic Sciences, Hobart, Australia.

Russo, CI 2012 'A global view of Total Carbon Dioxide (TCO<sub>2</sub>) testing', presented at the 19<sup>th</sup> International Conference of Racing Analysts and Veterinarians, Philadelphia, United States of America.

Sharma, R, Bell, RW & Wong, MTF 2012 'Dissolved reactive P plays a minor role in P mobility on contrasting soils from the cropping region of south-west Australia', presented at the Australian and New Zealand Soil Science Societies Conference, Hobart, Australia.

Wang, SF 2013 'Western Australian wines', presented at the 8<sup>th</sup> International Grape and Wine Conference, Liaolin, China.

Zhang, L, Wang, SF, Harris, D, Wang, H, Yan, G and Ward, G 2013 'Studies on polyphenolics in Western Australian wines', presented at the Asia Pacific Food Innovation Conference, Perth, Australia.