



ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011



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Statement of Compliance

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HON John Day MLA

Minister for Planning; Culture and the Arts; Science and Innovation

In accordance with Section 61 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 2011.

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

Member of Governing Board

Date: 9th September 2011

Member of Governing Board

Date: 9th September 2011

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Overview

From the Chair



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◆ In March 2011, ChemCentre celebrated one year since the official opening of its new premises in the Resources and Chemistry Precinct in Bentley. This was, however, much more than just a first birthday celebration of our fine new headquarters and laboratories. It was also a celebration of an increasingly confident organisation with a new sense of purpose and an emerging culture. This organisational culture is focussed not only on delivering excellent scientific analysis, emergency response and educational services for Western Australia, but also on research, innovation, new business ideas and markets, commercial sustainability and being nationally competitive in core areas of our business.

This transformation is reflected in ChemCentre's financial performance. We ended the 2011 financial year with a profit before tax of \$2,686,000 – a significant turnaround from a loss of \$1,861,000 in the previous year and well above our budget profit before tax of \$1,148,000. Even more encouraging is the fact that actual costs for the year have lowered in comparison to prior periods and that the organisation now has a detailed knowledge of its real cost base and can price its services and compete accordingly.

Our new brand is now well established, and is often in the public eye as a result of an energetic and enlightened marketing, media and communications strategy. And all this without in any way compromising – in fact we have strengthened – our capacity to help to keep the people of this State secure and safe through provision of timely, best-practice emergency response and forensic science services.

As I wrote last year, Boards of statutory authorities face a complex task – they need to guide their organisations strategically (striking a balance between growing the commercial side of the business while delivering statutory community services in an excellent and cost-effective way), understand and manage their risks and prudently scrutinise their financial performance. They must also ensure seamless Board and management succession on behalf of their shareholder (the Government) and their other stakeholders (the people of WA, our staff, our partners and our customers). The Board of ChemCentre is very aware of these complexities. It is constantly aware of its fiduciary duties; its leadership in developing sustainable, profitable long-term business strategies for the organisation; its recognition

Overview

From the Chair

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From the Chair continued

of the extraordinary skills of the ChemCentre staff and their career needs; its obligation to deliver value for its shareholder; and the importance of its governance and advisory role. The Board members represent a wide mix of expertise and vast experience, but most importantly they have worked extremely well together and are passionate about seeing ChemCentre succeed. The relationship with management is extraordinarily productive, and the Board acknowledges its strong confidence in the current management. On behalf of the Board, I would like to thank and congratulate the management team at ChemCentre for its leadership, its collaborative style, its capacity to make tough decisions and its determination to see the organisation grow, prosper and excel.

The ChemCentre Board changed again during the year. We lost Professor Linda Kristjanson to her new role as Vice Chancellor of Swinburne University of Technology in May. Linda was a founding Board member, and her knowledge of research combined with extraordinary commercial savvy was instrumental in helping ChemCentre define its value proposition and establish itself as a sustainable business. I thank her for her strong and articulate

insights, her cooperative approach and her truly invaluable contribution. We were sorry to lose Professor Kristjanson but fortunate that, at the end of May, Mr Bruce Brennan was appointed to take her place on the board for a three year term. Mr Brennan was Deputy Commissioner of WA Police until 2003, and comes to the ChemCentre Board with very strong credentials in law enforcement, fire and emergency services, emergency management and counter terrorism. Given ChemCentre's statutory responsibilities to the community for forensic science and emergency response, Mr Brennan's vast experience in these areas at state and national levels are timely and bring a vital new dimension to the Board as it guides the growth and diversification of the business.

Also in May, Dr Keith Shilkin was appointed as Deputy Chair of the Board. Dr Shilkin has been involved with ChemCentre for many years – originally as a member of the board of advisors of the Chemistry Centre of WA when it was still embedded within a government department, and subsequently as a founding Board member of ChemCentre when it was created by an Act of Parliament in August, 2007. He has extensive experience of



pathology, forensics and government process, and will fill the role of Deputy Chair with distinction.

In early 2011, the Board began reporting to a new Minister, the Honourable John Day MLA, Minister for Planning; Culture and the Arts; Science and Innovation. Minister Day visited ChemCentre in March, and has shown pro-active and enthusiastic interest in the organisation and its people, in developing it as a centre of excellence in its core activities and in its overall plans for the future. On behalf of the Board, I am looking forward to working closely with the Minister and his office as we develop strategies for growing and improving the business.

Overview

From the Chair

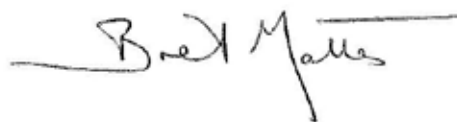
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From the Chair continued

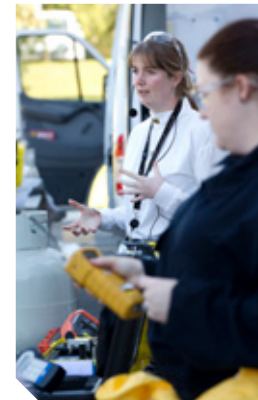
I would like to reiterate the core responsibilities that ChemCentre has to Minister Day and to the people of Western Australia:

- Customer service – delivery of world class chemical analytical services on time and within budget
- Keeping the State safe – provision of emergency response capabilities
- Assisting with policing and justice – being a forensic science 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.

Finally, let me take my hat off again to the staff of ChemCentre. In an uncertain environment, their hard work, willingness to embrace change and commitment to excellence has driven ChemCentre to achieve a very positive financial outcome. Their drive and enthusiasm is what will allow ChemCentre to grow in scale and profitability as it continues in its traditional role of providing scientific and emergency services of the very highest calibre, while developing new lines of business for new customers in new marketplaces – not only in WA but throughout Australia and the region.



Dr Bret Mattes
Chair, ChemCentre Board



Overview

From the CEO



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

Within this context ChemCentre is striving to realise its Vision of being recognised as Australia's leading provider of premium chemical and forensic services.

In order to achieve this, ChemCentre's Board and Management team revised its Strategic Goals so that by 2015, ChemCentre will:

1. Be commercially sustainable with more and diverse customers and markets
2. Have a core client base with long term relationships
3. Have a highly skilled workforce focussed on high quality and efficient service delivery
4. Benefit from targeted research and development
5. Develop world class capabilities in core areas
6. Protect, enhance and educate the community by its services in analytical chemistry and forensic science.

I am pleased to report that ChemCentre made considerable progress in 2010/11 toward achieving these Goals.

ChemCentre contributed to many significant achievements in the Western Australian community last year, not least to the cleanup of lead in the Esperance community, responding to a vastly increased number of callouts to clandestine drug laboratories, enhanced workplace testing procedures and contributing at a state, national and international level to emergency response preparedness.

Our achievements in the financial year under review were within the context of a considerably improved financial performance compared to budget and the previous year. ChemCentre has made an annual profit before tax of nearly \$2.7 million compared to a budgeted profit of \$1.1 million. Much of this was due to extraordinary efforts by our Environmental Section in its services to the Esperance Cleanup and Recovery Project. Three sections in our Forensic Science Laboratory – Illicit Drugs, Physical Evidence, and Toxicology – also performed well, increasing revenue through the expansion of services to major Government and private sector clients.

Behind all this activity ChemCentre management and staff have put considerable effort into ensuring its structure and processes are best aligned to our strategic directions. As a result, the Scientific Services Division commenced operations on 1 July 2011, amalgamating the services previously offered through the Investigative Chemistry and Natural Resources Chemistry Laboratories. This will ensure we have improved efficiency and better client services.

The new financial year commencing 1 July 2011, looks promising with a new contract signed to provide a drug profiling system for the Australian Federal Police and potential new fee for service work in tracer gas studies and science to support counterterrorism strategies.



Overview

From the CEO

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From the CEO continued

We have also made significant investment in the last year to improving our capability to respond to the needs of government and the community through purchasing new state of the art analytical equipment. We can now provide analyses to a greater level of precision and also at higher rates of throughput. Management will work with Government over the next year on how best to maintain ongoing capability and the quantum of future Government contributions. In addition, we will be working with Government regarding its contribution towards the non-commercial component of our lease, within the context of full cost recovery in our pricing.

Our improved financial outcome is also a reflection of our increased commercial focus. This has been underpinned by the recent appointment of a Business Development Manager, who will advise staff on approaches to sales. We have also created a dedicated Sales Team to better coordinate our service to clients and identify opportunities. ChemCentre is fortunate in that it can offer a considerable suite of analytical and consulting expertise derived from its decades of servicing our core obligations to the Western Australian community.

I am pleased to acknowledge the contribution of staff at all levels to providing input into and driving organisational change. Not least has been development and adoption of organisational values and behaviours to reflect not only the Public Sector Code of Practice but also our Vision, Mission and Strategic Goals. These processes have had the additional benefit of improving two-way communications within the organisation.

One important whole of Government priority which has been addressed with vigour within ChemCentre has been succession planning and continuation of our considerable scientific corporate knowledge. Over the last four years ChemCentre has been very successful in recruiting young professionals to address longer term planning and succession issues. Using tools such as internal competency assessment, targeted training and professional development, we are systematically addressing the crucial issue of ensuring ChemCentre's ongoing success and reputation for unparalleled high level scientific advice.

My thanks go to all the staff at ChemCentre for their dedication and contribution over the past year. I have also appreciated the strong support from the Executive Management group in another year of considerable change.

Finally, I thank the Board for their professional and insightful oversight of our strategic direction and their advice on ChemCentre's operations. I believe that together we are well placed to achieve our vision of being recognised as Australia's leading provider of premium chemical and forensic services.



Mr Peter Millington

Chief Executive Officer

Executive Summary

Service 1: Commercial and Scientific Information and Advice

CONTENTS



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

Over the 2010-2011 financial year, ChemCentre:

- Continued to provide high level scientific analyses and advice for the Esperance Cleanup and Recovery Program, the WA Government initiative to investigate and remove possible lead and nickel contamination in the Esperance community.
- Provided rapid response and interpretation of results in cases of suspected chemical contamination in WA, including possible lead contamination in Fremantle.
- Developed specialised analyses, otherwise unavailable commercially in Australia, to measure the impacts of industrial development in marine environments, including dredging.
- Achieved recognition for the project "Encouraging the Golf Course Industry to take Strategic Waste Initiatives" as a Finalist in the Premier's Awards 2010, Managing the Environment category.
- Shared research findings regarding soil amendments, waste and by-product utilisation and turf quality improvements with industry and academic bodies, with the aim of improving ecosystem health around large turf grounds.
- Conducted large-scale research exercises utilising tracer gas studies to determine the behaviour and impact of possible chemical releases.
- Provided two scientists as part of the Australian delegation to an international capability exercise to train in response to chemical, biological and radiological incidents.
- Increased clandestine drug laboratory ('clan lab') response capability to support WA Police in identifying, assessing and dismantling clan labs, including appointing three new clan lab scientists.
- Conducted introductory and advanced clan lab chemistry training for relevant authorities, including Fire and Emergency Services Authority and WA Police.

Executive Summary

Service 1: Commercial and Scientific Information and Advice

CONTENTS



- Advanced the collection and identification of fibres as forensic evidence through the creation of a unique fibre database to record properties and characteristics of all fibres encountered.
- Advised State and Commonwealth Government authorities on issues concerning forensic science and emergency response, through ChemCentre representation on expert working groups and advisory panels.
- Expanded workplace drug testing services for public and private clients to include synthetic cannabinoids (reported as 'Kronic').
- Became the sole supplier of IT development services for the Enhanced National Intelligence Picture on Illicit Drugs, an Australian national drug profiling system.
- Signed a contract for the development and IT management of the European Drug Profiling System.
- Provided expert testimony for 21 matters requiring the presentation of forensic science evidence.
- Communicated vital scientific information to the community, through media and outreach initiatives, on topics including emerging drug hazards and clandestine drug laboratories.
- Developed and rolled out 'Signa', an internal, enhanced and consolidated system for the management of laboratory information and client records.



Executive Summary

Service 2: Research and Development

CONTENTS

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.

(Where the research has been conducted with a major partner or funding body, these are indicated in parentheses.)

Over the 2010-2011 financial year, ChemCentre:

- Investigated the presence of chemical markers as an indication of food product deterioration.
- Investigated the chemicals in potential crops for photosensitising chemicals that may affect grazing animals.
- Measured the potential of treated biosolids for improved soil amendments (Water Corporation).
- Provided analytical services for the investigation of lupin breeding in Western Australia (Department of Agriculture and Food).
- Created sampling and testing processes for organometallic compounds resulting from industrial activity, including mineral refinery (Cooperative Research Centre for the Contamination, Assessment and Remediation of the Environment).
- Researched 'lab on a chip' methods in order to permit quality scientific analyses to take place in the field (Cooperative Research Centre for the Contamination, Assessment and Remediation of the Environment).
- Supplied the analysis for nutrient release associated with acid sulphate soils (National Heritage Trust, Department of Agriculture and Food, Murdoch University).
- Conducted extensive testing on fruit and vegetable samples for residual contaminants (Department of Health).
- Continued to respond to community health and safety requirements and regulations through the development of analytical techniques to measure ultra-trace levels of any contaminants in treated water (Water Corporation).
- Analysed air quality samples to assist with the setting of domestic air quality guidelines (ARC Linkage, The University of Western Australia).
- Continued investigation of chemical markers as deterrents for kangaroos on disturbed lands (Murdoch University, Minerals and Energy Research Institute of Western Australia).
- Examined opportunities for value-added, consumer-focussed products derived from Australian salmon (Australian Seafood Cooperative Research Centre).





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

Over the 2010-2011 financial year, ChemCentre:

- Attended and resolved 23 official emergency response incidents.
- Represented Western Australia through a leadership role on the national Chemical Warfare Agent Laboratory Network.
- Worked with State and Commonwealth authorities around Australia to examine the usefulness of tracer gas studies in planning for emergency and evacuation procedures.
- Participated in emergency response training exercises to test and maintain state capability, with authorities including the Fire and Emergency Services Authority and WA Police.
- Undertook major training exercises for emergency response staff from authorities across the State.
- Developed, tested and engaged capabilities to respond to any chemical, biological or radiological emergency response in conjunction with other authorities during the Commonwealth Heads of Government Meeting.



Executive Summary

Financial Overview

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● The actual profit before tax for the year ended 30 June 2011 was \$2,686,000 compared to an actual loss last year of \$1,861,000 before tax and a budget profit before tax of \$1,148,000. The current year's profit includes \$1 million in additional recurrent appropriations relating to the previous year arising out of a late appropriation payment for \$195,000 and rent under estimated for the year ending 30 June 2010 in the forward estimates and paid in additional appropriations in the year under review.

Revenue from provision of services has increased by \$2,649,000 (21.7%) to \$14,849,000 over the previous year. Expenses during the same period have decreased by \$240,000 (1.1%) to \$21,644,000. The main reason for this decrease is salaries, which decreased by \$250,000 due to the payment of \$507,000 in redundancy costs in the previous year. In addition the previous year includes relocation costs amounting to \$295,000 resulting from ChemCentre's move to the Resources and Chemistry Precinct on Curtin University's Bentley campus in September 2009. As a consequence of the move part way through last financial year, rent and outgoings expenses have increased in the current year by \$925,000 (Note 13).

The main reasons for the decrease in cost over the previous year are as follows:

1. Supplies and Services decreased by \$95,000 mainly due to consumables and materials. Some consumables are now charged through utilities (Note 11).
2. Other expenses, excluding removal expenses, decreased by \$755,000, mainly as a result of consulting fees reduced by \$206,000 due to lower expenditure in software maintenance, and laboratory services reduced by \$364,000 due to work previously provided to external laboratories being completed internally (Note 15).
3. Staff training and other staff expenses decreased by \$205,000 due to lower external recruitment costs (Note 15).
4. Excluding the redundancy paid in the previous year, salaries increased by \$257,000 mainly due to salary increments and the general agreement salary award (Note 10).

In the 12 months to 30 June 2011 the cash balance increased by \$3,291,000 to \$4,935,000, primarily as a result of significantly improved turnover and an increase in liabilities (Note 29(b)).

Operational Structure

Enabling Legislation



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

Responsible Minister

The Hon John Day MLA Minister for Planning; Culture and the Arts; Science and Innovation.

Mission

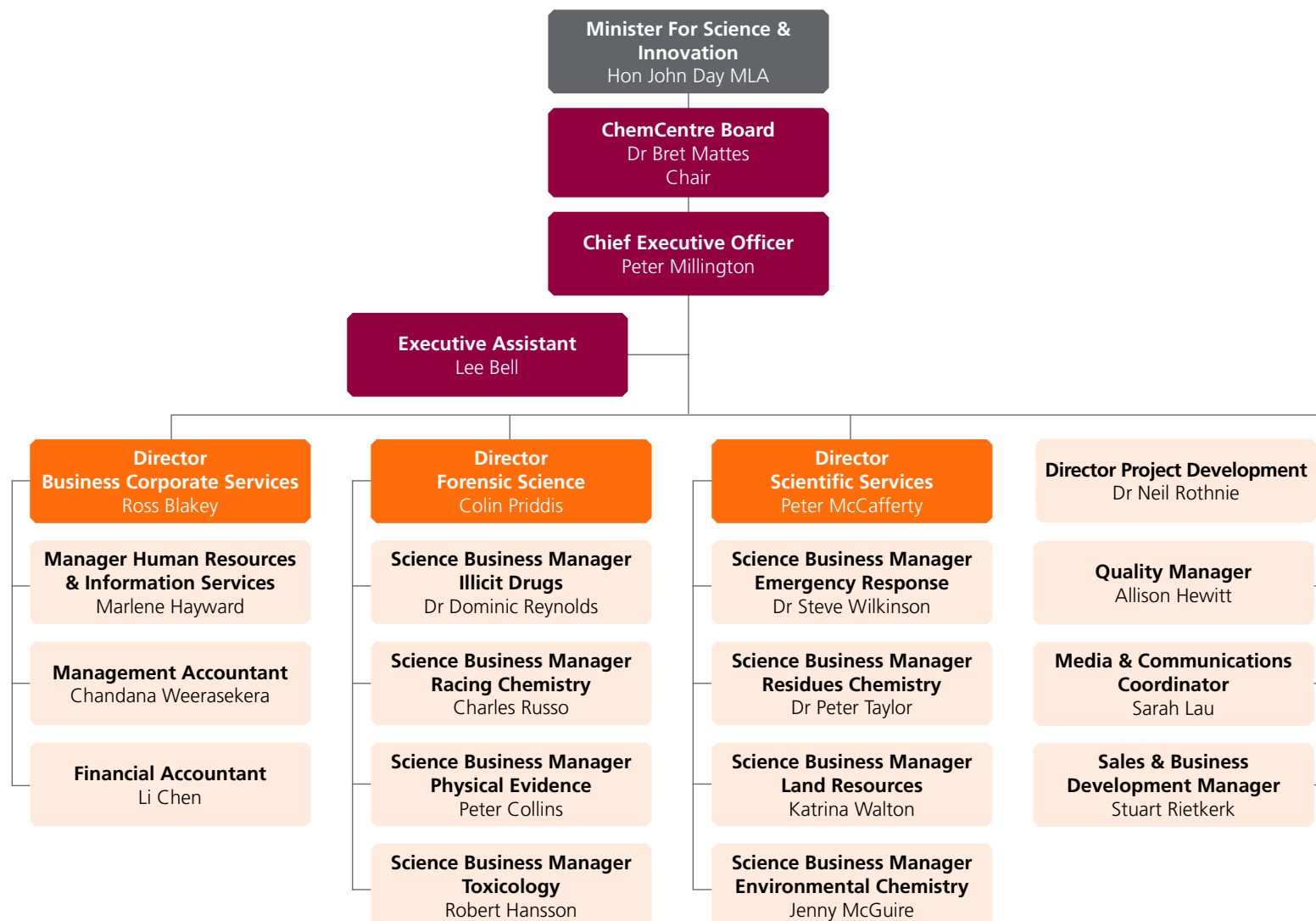
ChemCentre is the trusted provider of essential chemical and forensic services to ensure a safe and prosperous Western Australian community.

To paraphrase the functions described in the enabling legislation, within its areas of expertise and in a cost effective manner, ChemCentre will:

- Manage the government's risks;
- Contribute to state development;
- Contribute to education and knowledge in WA; and
- Operate a successful consulting business.

Operational Structure Organisational Chart

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Operational Structure

Board of ChemCentre

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Each member of the Board is appointed by the Minister for Science and Innovation and selected for the relevant expertise that each bring. The initial appointments were variously for one, two and three years. Each subsequent appointment (or re-appointment) will be for three year terms, allowing a staggered rotation of board membership.

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 Managing Director of Star Energy, an Indonesian energy company with interests in petroleum and geothermal energy.

Prof. Linda Kristjanson (Deputy Chair, resigned on 19th April 2011)

Professor Linda Kristjanson was Deputy Vice Chancellor Research & Development, Curtin University in Western Australia. Between 2000 and 2006 she held the position of The Cancer Council WA Chair of Palliative Care. In this role, Professor Kristjanson created and led the Western Australian Centre for Cancer & Palliative Care. Professor Kristjanson has received competitive research funding from local and national organisations in Canada, the USA and Australia. Professor Kristjanson was chosen as the 2002 Australian Telstra Business Woman of the Year for her entrepreneurial work in science.

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.



Operational Structure

Board of ChemCentre

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Board of ChemCentre continued

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 Keith Shilkin (Deputy Chair, appointed on 27th April 2011)

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 this year made a Member of the Order of Australia for services to medicine and the Jewish Community.

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.

Mr David McAuliffe

Mr McAuliffe is the founder of NeuroDiscovery and has been a Director since establishment. He has over fourteen 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, is a Non Executive Director of Living Cell Technologies and is the President of the Dyslexia-Speld Foundation WA (Inc).

Operational Structure

Board of ChemCentre

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Board of ChemCentre continued

Mr Bruce Brennan **(Appointed on 27th April 2011)**

Bruce 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 extensive experience in Corporate Management in the public sector including several years as acting CEO of the Department of Fisheries.

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

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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 to the right.

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>Outcome 1. Emergency Response. 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>Outcome 2 & 3. Scientific Information and Advice Development and delivery of quality scientific information and advice, on a commercial basis, to government, industry and the community.</p> <p>Outcome 4. Research and Development 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 has added Outcome 4 "Research & Development" to its Outcome Based Management Framework since 30 June 2009.

Shared Responsibilities with Other Agencies

ChemCentre's Emergency Response service is largely delivered in support of Fire and Emergency Services Authority, normally the controlling authority at such emergency events. ChemCentre also provides an extensive forensic science service to the WA Police and the State Coroner.

Agency Performance – Report on Operations

Financial Targets: Actual performance compared to budget targets to 30 June 2011

CONTENTS



The twelve months results to 30 June 2011 at ChemCentre continue the increased commercial focus which commenced when ChemCentre became a Statutory Authority in August 2007. As a consequence there has been a significant increase in external revenue compared with previous year accompanied by a real reduction in expenses.

Financial Targets: Actual performance compared to budget targets to 30 June 2011

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 2011 reflect a favourable variance against budget of \$1,591,000 for the net cost of services. Total income exceeded budget by \$6,216,000 and the total cost of services shows an unfavourable variance against budget of \$4,625,000. Budgeted income and expenses were estimated when ChemCentre became a Statutory Authority in 2007 and it was only during the 2011 budget process that ChemCentre was able to agree new budget figures with the Department of Treasury. The change in business circumstances and the increased commercial focus will now be reflected in the budget for the year ending 30 June 2012 and subsequent years. However the net surplus before tax for the period under review shows a favourable variance of \$1,538,000 compared to budget resulting from the focus on commercial activity and new fee

for service income generated since the original budget for 2011 was prepared. See *Financial Overview on page 13* for more information.

	Budget	Actual
Total Income	8,656,000	14,872,000
Total Cost of Service	17,019,000	21,644,000
Net Cost of Service	8,363,000	6,772,000
Service Appropriation	9,511,000	9,458,000
Surplus/(Deficit) before tax for period	1,148,000	2,686,000

Agency Performance – Report on Operations

Key Performance Indicators: Actual performance compared to budget targets

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Key Effectiveness Indicators	Target	Achieved
Client Satisfaction	80%	82%
Emergency Response: Resolution Time	2.4 hr	2.3 hr
Proficiency Rating	95%	93.3%
Aggregate Value of ChemCentre Components as a ratio of R & D sold to internal R & D	60/40	54/46
Client Satisfaction	80%	83%
Key Efficiency Indicators		
Service 1: Average Cost/hour	\$147	\$183
Service 2: Average Cost/hour	\$195	\$206
Service 3: Average Cost/hour	\$259	\$280

The target average cost per hour Key Efficiency Indicators also relate to budgets prepared in 2007 and therefore bear little relationship to current trading conditions. Performance information relating to the services provided is presented at pages 63 to 68 of this report.

Current and Emerging Issues and Trends

Strategic Issues and Trends

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Expansion of financial base

As it becomes more business-focussed and aims to reduce its reliance on appropriations, ChemCentre needs to expand its financial base. This means it must be more commercial in its approach and be less reliant on its current customer base which is rather narrow and is dominated by Government entities. Each of ChemCentre's business areas should continually strive to identify new priority market opportunities, with a target for each financial year.

Expertise as a business advantage

ChemCentre needs to utilise the scope of its expertise across business areas to secure more medium and high value customers who see worth in developing long term relationships with ChemCentre. This means articulating the value proposition from ChemCentre for each of these major customers and delivering on it.

Improved reporting and tracking systems

Having invested significantly in improving laboratory information management and record systems, ChemCentre must now invest in high quality internal systems for identifying business opportunities, tracking workflows, monitoring customer needs and reporting to customers, its Executive and the Board.

Competency profiles and succession planning

ChemCentre has conducted a series of internal investigations, utilising both stakeholder and market information and advice, to define the competencies required to deliver the complete range of services offered or planned for the next five years. It will need to constantly match current competencies against these requirements and ensure the training or recruitment processes are in place to meet them, within a wider succession plan.

Current and Emerging Issues and Trends

Strategic Issues and Trends

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Strategic Issues and Trends continued

'Cutting edge' science, research and development

In order to maintain its relevance and reputation ChemCentre must continually innovate through applied research and development. It has mandated responsibilities such as responses to hazardous chemical and biological emergencies for which it must maintain capability. To create a service advantage in key fields it must ensure that the methods it offers to clients are at the "cutting edge" and delivered in the most efficient and cost effective manner possible. This will require continual effort to identify opportunities to enhance services to meet mandated responsibilities and commercial opportunities, continually updating value propositions and marketing plans and implementing them.

World class expertise and services

Through its long history of service delivery for key areas of the Western Australian Government and its economy ChemCentre has developed considerable expertise in certain core areas. There is the potential to develop these into world class facilities which will not only benefit the state but also leverage considerable commercial advantage to ChemCentre. This will require considerable work to identify and cost the resources required for adopted core areas, develop their business plans and implement them.



Current and Emerging Issues and Trends

Financial Issues and Trends

CONTENTS



Appropriations for service

ChemCentre received about \$1 million in additional service appropriations during the year ending 30 June 2011. These additional appropriations were in respect of higher than expected rent for the year ending 30 June 2010 paid in the next financial year and a late payment of service appropriations in respect of the year ending 30 June 2010.

Asset Investment Plan

The appropriation disbursement file for 2012 includes \$600,000 for asset replacement. In addition ChemCentre's forward estimates forecast ChemCentre's spend on assets at \$600,000 per annum. This is less than half the current annual asset depreciation. ChemCentre is working with Treasury on a submission to the Economic Expenditure Review Committee ("EERC") to secure a much larger spend for its Asset Investment Plan, which it is expected will be partially funded from future profits.

Accommodation and full cost recovery

During the 2011 WA Government budget process, the EERC asked ChemCentre to provide evidence inter alia that ChemCentre had adopted full cost recovery including accommodation cost. ChemCentre operates at full cost recovery except in the case of accommodation expenses where only the 'commercial rent' portion of the property lease amount is recovered. The commercial rent amount for ChemCentre's premises was determined by a property agent's comparison of similar laboratories' property rental.

Current and Emerging Issues and Trends

Operational Issues and Trends

CONTENTS



Operational issues

- Rapid sudden increases in demand for particular analytical services require a more flexible approach to staffing and adequate training opportunities. This has been recognised with the synthetic cannabinoid work and ChemCentre will continue to implement this approach across all sections.
- Office accommodation continues to be an issue as ChemCentre expands its staff base in response to commercial opportunities. This has partially been resolved by the leasing of extra premises close to ChemCentre headquarters, however will need to be closely monitored over the next financial year.
- Fluctuating demand for traditional analytical services will require careful examination of market exposure for operational areas within ChemCentre, and a consideration of the application of ChemCentre services and analyses to new or expanded markets.
- ChemCentre has planned an outreach program in line with its mandated responsibilities to promote and assist in the delivery of chemistry-based education, training and awareness. This is due to be launched in August, and ChemCentre is aiming to develop a series of strategic partnerships to enhance both the delivery and effectiveness of its outreach activities.

Changes in Written Law

There were no changes in Written Law impacting upon ChemCentre in the 2010-11 period.

Auditor's Opinion

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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 2011, 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 2011 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.

Chemistry Centre (WA)

Report on Controls

I have audited the controls exercised by the Chemistry Centre (WA). The Board is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Board based on my audit conducted in accordance with Australian Auditing Standards.

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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Chemistry Centre (WA). 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.

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 Standards.

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 2011.

Independence

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

COLIN MURPHY
AUDITOR GENERAL
14 September 2011

Financial Statements

Certification of Financial Statements

CONTENTS



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 30th June 2011 and the financial position as at 30th June 2011.

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: 9th September 2011

P Millington

Chief Executive Officer

Date: 9th September 2011

Member of Accountable Authority

Date: 9th September 2011

Member of Accountable Authority

Date 9th September 2011

Financial Statements

Statement Of Comprehensive Income For the year ended 30 June 2011

CONTENTS

	Note	2011 \$'000	2010 \$'000
INCOME			
Revenue			
Provision of Services	7	14,849	12,200
Interest Revenue	8	17	-
Other Revenue	9	6	7
Total Income		14,872	12,207
EXPENSES			
Expenses			
Employee benefits expense	10	10,611	10,861
Supplies and services	11	1,307	1,402
Depreciation and amortisation expense	12	1,133	1,114
Accommodation expenses	13	5,687	4,564
Loss on disposal of non-current assets	14	13	-
Other expenses	15	2,893	3,943
Total Expenses		21,644	21,884
Loss before grants and subsidies from State Government		(6,772)	(9,677)
Service appropriation	16	9,458	7,816
Profit/(Loss) before income tax equivalent expense		2,686	(1,861)
Income Tax Expense/(Benefit)	34(a)	(592)	306
Profit/(Loss) after income tax equivalent expense		2,094	(1,555)
Profit/(Loss) for the year		2,094	(1,555)
Total Comprehensive Income for the year		2,094	(1,555)

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

Financial Statements

Statement of Financial Position As at 30 June 2011

CONTENTS

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	29(a)	4,935	1,644
Prepayments	18	122	134
Receivables	17	2,208	2,381
Amounts receivable for Services	19	770	628
Total Current Assets		8,035	4,787
Non-Current Assets			
Deposits held by Treasury	20	81	81
Property, plant and equipment	21	3,692	3,235
Intangible assets	22	603	690
Sinking Fund	23	432	207
Deferred Tax Asset	34(d)	753	909
Total Non-Current Assets		5,561	5,122
TOTAL ASSETS		13,596	9,909
LIABILITIES			
Current Liabilities			
Payables	25	3,739	1,971
Provisions	26	2,115	1,921
Other current liabilities	27	877	1,005
Current Tax Liabilities	34(c)	573	1,148
Total Current Liabilities		7,304	6,045

Financial Statements

Statement of Financial Position As at 30 June 2011 continued

CONTENTS

	Note	2011 \$'000	2010 \$'000
Non-Current Liabilities			
Provisions	26	706	548
Deferred Tax Liability	34(e)	-	19
Total Non-Current Liabilities		706	567
TOTAL LIABILITIES		8,010	6,612
NET ASSETS		5,586	3,297
EQUITY			
Contributed equity		3,848	3,653
Retained earnings		1,738	(356)
TOTAL EQUITY	28	5,586	3,297

The statement of financial position should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Changes in Equity For the year ended 30 June 2011

CONTENTS

	Note	Contributed equity	Reserves	Retained earnings	Total Equity
		\$000	\$000	\$000	\$000
Balance at 1 July 2009	28	3,653	-	1,199	4,852
Total Comprehensive Income for the year		-	-	(1,555)	(1,555)
Transactions with owners in their capacity as owners:					
Capital appropriation		-	-	-	-
Other Contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2010		3,653	-	(356)	3,297
Balance at 1 July 2010		3,653	-	(356)	3,297
Total Comprehensive Income for the year		-	-	2,094	2,094
Transactions with owners in their capacity as owners:					
Capital appropriation		195	-	-	195
Other Contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		195	-	-	195
Balance at 30 June 2011		3,848	-	1,738	5,586

(a) During the year ended 30 June 2011 a further \$195,000 was transferred by the owners to ChemCentre.

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

Financial Statements

Statement of Cashflows For the year ended 30 June 2011

CONTENTS

	Note	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		13,546	10,115
GST receipts on services		1,354	1,211
Payments			
Employee benefits		(10,259)	(10,233)
Accommodation		(4,868)	(4,712)
GST payments on purchases		(680)	(965)
GST payments to taxation authority		(555)	(246)
Other payments		(3,242)	(4,185)
Net cash used in operating activities	29	(4,704)	(9,015)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(1,516)	(861)
Net cash used in investing activities		(1,516)	(861)
CASH FLOWS FROM STATE GOVERNMENT			
Grants and subsidies		9,511	7,729
Net cash provided by State Government		9,511	7,729
Net increase/(decrease) in cash and cash equivalents		3,291	(2,147)
Cash and cash equivalents at the beginning of period		1,644	3,791
CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD		4,935	1,644

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

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011

CONTENTS



1. Australian equivalents to International Financial Reporting Standards

General

ChemCentre's financial statements for the year ended 30 June 2011 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 2011.

2. Summary of significant accounting policies

(a) General Statement

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

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

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

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

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

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

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.'

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'.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS



(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 28 '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 28 'Equity'*.

(d) Reporting Entity

The reporting entity comprises the Chemistry Centre (WA) referred to as ChemCentre. There are no Related Bodies. See *Note 37 '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.

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 27 '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.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS



(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 are 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.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS



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(a)	2.5 to 3 years
Motor vehicles	3 to 7 years

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

(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(a)	3 to 5 years
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(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.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

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(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. As ChemCentre is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/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.

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

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

See Note 2(o) 'Receivables' and Note 17 'Receivables' for impairment of receivables.

(k) Leases

ChemCentre currently holds operating leases (see Note 31). 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.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS



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) Inventories

ChemCentre adopts a "Just in Time" system of purchasing and since 1 April 2009 has expensed all purchases on receipt. In the previous year Inventories were measured at the lower of cost and net realisable value. Costs were assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Inventories not held for resale were valued at cost unless they were no longer required, in which case they were valued at net realisable value.

(o) 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 17 'Receivables'.

(p) 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 25 'Payables'.

(q) 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 balance sheet date. See Note 26 '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 balance sheet 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 balance sheet date.

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.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

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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 balance sheet date.

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 schemes is a scheme which transfer members' benefits from the Pension Scheme. All other GSS Scheme obligations are funded by concurrent contributions made by ChemCentre to the 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). 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(r) 'Superannuation expense'.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS



(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 15 'Other expenses' and Note 26 'Provisions'*.

(r) 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 (WSS), and the GESB Super Scheme (GESBS).

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(q) 'Provisions – Employee Benefits' under Superannuation.

(s) 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 26 'Provisions'*.)

The accrued salaries suspense account (see *Note 20 'Restricted Cash and Cash Equivalents'*) consists of amounts paid annually into a suspense account over a period of 10 years to largely meet the additional cash flow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(t) 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.

(u) 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 income and as assets or expenses as appropriate at fair value.

(v) Segment Information

Segment information has been disclosed by service (refer *Note 41 'Schedule of Income and Expenses by Service'*.)

(w) Comparative Figures

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

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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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:

- Discount rates used in estimating provisions for Long Service Leave;
- 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.

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Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

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^(a)

Superannuation – defined contribution plans

Long service leave^(b)

Annual leave^(b)

2011	2010
\$'000	\$'000
4,543	4,044
10,306	8,156
14,849	12,200
17	-
17	-
6	7
6	7
8,346	8,563
856	863
387	511
1,022	924
10,611	10,861

(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 15 'Other Expenses'. The employment on-cost liability is included at Note 26 'Provisions'.

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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11. Supplies and Services

Communications
Consumables
Materials
Travel

12. Depreciation and amortisation expense

Depreciation

Plant, equipment and vehicles
Office equipment

Amortisation

Software

Total depreciation and amortisation

2011	2010
\$'000	\$'000
14	15
1,082	1,120
79	160
132	107
1,307	1,402
882	846
55	88
937	934
196	180
1,133	1,114

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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13. Accommodation expenses

Property rent
Property outgoing
Repairs and maintenance
Utilities

14. Loss on disposal of non-current assets

Loss on disposal of non-current assets

15. Other expenses

Equipment repairs and maintenance
IT & network maintenance
Laboratory & DMP 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

2011	2010
\$'000	\$'000
4,378	3,610
841	684
107	192
361	78
5,687	4,564
13	-
13	-
580	597
257	222
442	806
143	96
192	188
82	94
13	30
508	541
45	251
-	295
91	296
540	527
2,893	3,943

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Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

16. Service Appropriation

Appropriations received during the period

Salaries and Allowance Act 1975

Community Service Obligations

Property rent

Property rent for the year ended 30 June 2010 paid in 2011

Asset Investment Plan

Appropriations for year ended 30 June 2010 paid in 2011

Rent free of charge

2011	2010
\$'000	\$'000
196	186
2,206	2,161
5,461	4,549
800	-
600	861
195	-
-	59
9,458	7,816

(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.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

17. 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 provided for during the 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(o) 'Receivables' and Note 33 'Financial Instruments'.

2011	2010
\$'000	\$'000
2,052	2,115
29	235
180	96
(53)	(65)
2,208	2,381
(65)	(61)
-	(31)
(13)	-
25	27
(53)	(65)
568	687
169	25
5	4
-	58
53	65
(53)	(65)
-	-

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Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS



18. Prepayments

Current

Moneys paid in advance for services to be performed

19. Amounts Receivable for Services

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

20. Deposits held by Treasury

Accrued salaries suspense account^(a)

(a) Amount held in the suspense account and only to be used for the purposes of meeting the 27th payroll in financial years which occur every eleven years

21. 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

2011	2010
\$'000	\$'000
122	134
770	628
81	81
11,596	10,305
(7,997)	(7,164)
3,599	3,141
747	700
(654)	(606)
93	94
3,692	3,235

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

21. Property, plant and equipment continued

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

2010

Carrying amount 1st July 2009

Additions

Disposals

Depreciation

Carrying amount at end of year

2011

Carrying amount 1st July 2010

Additions

Disposals

Depreciation

Carrying amount at end of year

Plant, equipment and vehicles	Office equipment	Total
\$'000	\$'000	\$'000
3,285	118	3,403
703	65	768
-	(51)	(51)
(847)	(38)	(885)
3,141	94	3,235
3,141	94	3,235
1,356	54	1,410
(15)	(1)	(16)
(882)	(55)	(937)
3,600	92	3,692

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Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

22. 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

23. Sinking Fund

Amount held by Curtin for future building repairs and maintenance

24. Impairment of assets

There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2011.

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 2011 have either been classified as non-current assets held for sale or written off.

2011	2010
\$'000	\$'000
1,261	1,153
(658)	(463)
603	690
690	775
109	95
-	-
(196)	(180)
603	690
432	207

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

25. Payables

Current

Trade payables
GST payable
Accrued expenses
Accrued superannuation

See also Note 2(p) 'Payables' and Note 33 'Financial Instruments Disclosure'.

26. Provisions

Current

Employee benefits provision
Annual leave^(a)
Long service leave^(b)

2011	2010
\$'000	\$'000
1,387	428
141	146
2,210	1,385
1	12
3,739	1,971
1,298	1,051
817	870
2,115	1,921

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

26. Provisions continued

Non-current

Long service leave^(b)

(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 15 'Other expenses'.

2011	2010
\$'000	\$'000
706	548
1,087	713
211	338
1,298	1,051
817	870
706	548
1,523	1,418

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS



27. 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.

28. Equity

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

29. 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

2011	2010
\$'000	\$'000
877	1,005
877	1,005
3,297	4,852
195	-
2,094	(1,555)
5,586	3,297
4,934	1,643
1	1
4,935	1,644

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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29. Notes to the Cash Flow Statement continued

(b) Reconciliation of profit after income tax equivalents to net cash flows used in operating activities

	2011 \$'000	2010 \$'000
Profit after income tax equivalents	2,094	(1,555)
Non-cash items:		
Depreciation and amortisation expense	1,133	1,114
Provision for Doubtful Debts	-	31
Write-down of non-current assets	13	-
Grants and subsidies from Government	(9,458)	(7,757)
Amounts credited to provision for income tax equivalents	-	(306)
(Increase)/decrease in assets:		
Current receivables	173	(697)
Sinking Fund	(225)	(207)
Current inventories	-	-
Amounts receivable for services and prepayments	12	(50)
Increase/(decrease) in liabilities:		
Current payables	954	(61)
Accrued expenses	825	267
Accrued salaries	(11)	(29)
Employee benefits	352	628
Revenue in advance	(128)	(215)
Provision for tax	(438)	(178)
Net GST receipts/(payments)	(555)	246
Change in GST in receivables/(payables)	555	(246)
Net cash used in operating activities	(4,704)	(9,015)

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

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30. Resources provided free of charge

During the period the following resources were provided to other agencies free of charge for functions outside the normal operations of ChemCentre:

Rent accrued for costing purposes only

No payment was made for rent at the East Perth premises.

31. 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

2011	2010
\$'000	\$'000
-	59
-	59
5,227	5,273
25,882	25,915
63,067	67,470
94,175	98,658
-	-
94,175	98,658
-	-
94,175	98,658

ChemCentre moved to the Resources and Chemistry Precinct, Curtin University in Bentley on 8 September 2009. Building Management and Works on behalf of the Minister for Housing and Works, continues to negotiate 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 18 years and 69 days, being the remaining term of the Lease. This amounts to \$80 million for rent and management fee and \$14.4 million for outgoings.

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

32. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2011. Significant variations are considered to be those greater than 10% or \$50,000

Significant variances between estimate and actual results for the financial period

	2011 Estimate	2011 Actual	Variation
	\$'000	\$'000	\$'000
Income ^(a)	14,317	14,872	555
Supplies and Services ^(b)	4,570	1,307	3,263
Accommodation Expenses ^(c)	5,206	5,687	(481)
Other expenses ^(d)	479	2,893	(2,414)

(a) Income: Exceeded budget due to greater commercial activity than estimated mainly in respect of Esperance clean-up.

(b) Supplies and Services: The increase reflects changes in classification of expenses between Supplies and Services and Other Expenses. Overall the estimates include consumables now included in rent outgoings.

(c) Accommodation Expenses: The actual increase reflects utility expenses not included in the forward estimates.

(d) Other Expenses: The increase reflects changes in classification of expenses between Supplies and Services and Other Expenses.

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

	2010 Estimate	2010 Actual	Variation
	\$'000	\$'000	\$'000
Income ^(a)	12,207	14,872	2,665
Accommodation Expenses ^(b)	4,564	5,687	(1,123)

Income: Exceeded actual last year due to greater commercial activity and greater volume sales than previous year. Increase includes Esperance clean-up and a second Clandestine Laboratory analysis team for the West Australian Police Service.

Accommodation Expenses: Exceeded previous year because lease commenced in September 2009.



33. 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 17 '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.

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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(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:

33. Financial Instruments Disclosures continued

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 ^(a)

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

2011	2010
\$'000	\$'000
4,935	1,644
2,208	2,381
81	81
3,739	1,971

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.

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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34. 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:

Notional Rent

Payroll Tax Penalty

Accounting Depreciation on tax fixed assets incl R&D assets

Net movement in provisions

Accrual not incurred

Entertainment

Non-Deductible pre transitional LSL payments

Total Add back items

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

Tax Losses deducted

Depreciation – tax (excluding R&D assets)

Reduction in Bad Debts Expense

Other deductible expenses free of charge

Deductions

Assessable Income

Income Tax expected to be paid at Statutory Rate (30%)

Prior Year under/(over) provision

Current Income Tax

2011	2010
\$'000	\$'000
455	
449	(306)
(312)	-
592	(306)
2,686	(1,861)
-	60
-	23
1,133	1,114
353	630
-	582
1	-
261	224
1,748	2,633
(1,377)	-
(1,133)	(1,114)
(13)	-
-	(60)
(2,523)	(1,174)
1,911	(402)
573	(121)
(118)	-
455	(121)

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Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

34. Taxation Equivalent continued

(c) Current Tax Liability

Opening Balance as 1 July 2010

Current Tax

Tax paid

Closing balance as 30 June 2011

(d) Deferred Tax Assets

Opening Balance as 1 July 2010

Deferred tax liability

Credited/(Charged) to Income Statement

Movement attributable to prior year adjustments

Closing balance as 30 June 2011

(e) Deferred Tax Liabilities

Opening Balance as 1 July 2010

Deferred Tax Asset

Closing balance as 30 June 2011

2011	2010
\$'000	\$'000
(1,148)	(1,326)
(455)	-
1,030	178
(573)	(1,148)
909	603
(19)	-
(449)	306
312	-
753	909
(19)	(19)
19	-
-	(19)

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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35. 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	6	5
10,001 – 20,000	2	2

The total remuneration of members of the accountable authority is: \$80,658 \$78,427

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	-	4
170,001 - 180,000	3	-
180,001 - 190,000	-	-
190,001 - 200,000	1	-

The total remuneration of senior officers is: \$852,327 \$736,151

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.

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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36. Remuneration of auditor

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

Auditing the accounts, financial statements and performance indicators

44

49

The expense is included at Note 15 'Other expenses'.

37. Related bodies

There are no related bodies.

38. Affiliated bodies

There are no affiliated bodies.

39. Special purpose accounts

There are no special purpose accounts.

40. 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

-

-

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Notes to the Financial Statements For the year ended 30 June 2011 continued

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	Service 1 Scientific Information and Advice 2010 \$'000	Service 2 Research and development 2010 \$'000	Service 3 Emergency Response Management 2010 \$'000	Total 2010 \$'000
41. Schedule of Income and Expenses by Service				
INCOME				
Provision of services	9,543	1,658	999	12,200
Other Income	7	-	-	7
Total income	9,550	1,658	999	12,207
EXPENSES				
Employee benefits expense	8,496	1,476	889	10,861
Supplies and services	1,402	-	-	1,402
Depreciation and amortisation expense	1,114	-	-	1,114
Accommodation expenses	4,564	-	-	4,564
Other expenses	3,651	182	110	3,943
Total expenses	19,227	1,658	999	21,884
Profit/(loss) before service appropriation	(9,677)	-	-	(9,677)
Net Appropriation from State Government	7,816	-	-	7,816
Profit/(Loss) after service appropriation	(1,861)	-	-	(1,861)
Profit/(Loss) before income tax equivalents expense	(1,861)	-	-	(1,861)
Income tax equivalent benefit/(expense)	306	-	-	306
Profit/(Loss) for the period	(1,555)	-	-	(1,555)

Financial Statements

Notes to the Financial Statements For the year ended 30 June 2011 continued

CONTENTS

41. 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 2011 \$'000	Service 2 Research and development 2011 \$'000	Service 3 Emergency Response Management 2011 \$'000	Total 2011 \$'000
12,393	1,374	1,082	14,849
17	-	-	17
6	-	-	6
12,416	1,374	1,082	14,872
8,856	982	773	10,611
1,307	-	-	1,307
1,133	-	-	1,133
5,687	-	-	5,687
13	-	-	13
2,192	392	309	2,893
19,188	1,374	1,082	21,644
(6,772)	-	-	(6,772)
9,458	-	-	9,458
2,686	-	-	2,686
2,686	-	-	2,686
(592)	-	-	(592)
2,094	-	-	2,094

42. Contingent Liability

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

Key Performance Indicators For the year ended 30 June 2011

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 2011.

A handwritten signature in black ink, appearing to read "David M. Stuliffe".

Member of Governing Board
Date: 9th September 2011

A handwritten signature in black ink, appearing to read "J.B. Harrow".

Member of Governing Board
Date: 9th September 2011

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 Performance Indicators For the year ended 30 June 2011

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.

2009-10	2010-11	2010-11
Actual	Actual	Target
3 hr	2.3 hr	2.4 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 134 organizations with 100% response rate and representing about 22% 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 2011 was taken at a 95% confidence level and a sampling error of $\pm 7.5\%$.

2009-10	2010-11	2010-11
Actual	Actual	Target
83%	82%	80%

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.*

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.

94%	93.3%	95%
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Key Performance Indicators For the year ended 30 June 2011

Key Effectiveness Indicators by Output

CONTENTS

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.*

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.

2009-10	2010-11	2010-11
Actual	Actual	Target

49/51

54/46

60/40

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. Eight responses were collected from 17 survey invitations, representing approximately 47% of ChemCentre's total current R&D projects.*

78%

83%

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 2011 was taken at a 95% confidence level and a sampling error of $\pm 26.0\%$.

Key Performance Indicators For the year ended 30 June 2011

Key Effectiveness Indicators by Output

CONTENTS



Key Effectiveness Indicators by Output continued

NOTES

Outcome 1: Emergency Response Management

The 2011 average response and resolution time of 2.3 hrs is compatible with the previous year and better than the target; it is therefore an acceptable outcome.

Outcome 2 & 3: Commercial Scientific Information and Advice

The client satisfaction of 82% is slightly below the previous year's result, but is above the target for the current year. This is a pleasing result and demonstrates ChemCentre's commitment to providing quality, timely commercial solutions. The proficiency rating is marginally lower than the 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 the previous year but is below target because many of the projects completed in the year under review were started in previous years. The client satisfaction percentage was above target and the previous year's result, mainly due to timeliness of completion, and is a significant improvement on previous year. This demonstrates ChemCentre's ability to achieve milestones and its commitment to excellence.

Key Performance Indicators For the year ended 30 June 2011

Key Effective Indicators by Service



Service 1: Commercial Scientific Information and Advice

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^(a)

2009-10 Actual	2010-11 Actual	2010-11 Target
\$19,227,000	\$19,188,000	\$14,227,000
91,274 hr	104,831 hr	96,600 hr
\$211	\$183	\$147

Service 2: Research and Development^(b)

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^(b)

2009-10 Actual	2010-11 Actual	2010-11 Target
\$1,658,000	\$1,374,000	\$1,753,000
7,421 hr	6,661 hr	9,500 hr
\$223	\$206	\$195

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.

Key Efficiency Indicator

Total cost for service

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

Average Cost per Chargeable Hour^(c)

2009-10 Actual	2010-11 Actual	2010-11 Target
\$999,000	\$1,082,000	\$1,039,000
3,354 hr	3,863 hr	4,000 hr
\$298	\$280	\$259

Key Performance Indicators For the year ended 30 June 2011

Key Efficiency Indicators by Service

CONTENTS



Key Effective Indicators by Service continued

NOTES

- (a) Service 1 average cost per billable hour is much lower than last year because of the impact of lower salary costs due to redundancies last year and increased productivity. 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 because the ratio of paid to unpaid R & D has improved.
- (c) Service 3 average cost per billable hour is lower than previous year because of the higher number of hours dedicated to providing the service.

Governance Disclosures

For the year ended 30 June 2011

Ministerial Directives and Other Financial Disclosures

CONTENTS

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

	2010-11	2009-10
Full-time permanent	78	73
Full-time contract	32	32
Part-time measured on a FTE basis	7	6.6
	117	111.6

Staffing policies and staff development

ChemCentre is committed to the attraction and retention of a skilled and motivated workforce. This commitment includes the on-going review of corporate policies and procedures, including recruitment and selection practices. ChemCentre offers 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 fair workforce with the ability to adapt to changing business technology and the environment. More than 6% of direct salary costs were invested in training and professional development this financial year. During the financial period, staff spent in excess of \$626,809 on in-house and external training compared with \$643,000 (4%) in 2009-10.

Workers' Compensation

Three claims were made this financial year, all of a minor nature. There was no lost time for the period to 30 June 2011. Human Resources follow up any accident report to assist with lodging workers' compensation claims.

Governance Disclosures For the year ended 30 June 2011

Ministerial Directives and Other Financial Disclosures

CONTENTS



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 2010/2011 was \$6,055 compared with \$4,841 in 2009/2010.

Other Legal Requirements

For the year ended 30 June 2011

CONTENTS

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 *Code of Ethics* by the following actions:

1. 60% of all ChemCentre policies were reviewed within the previous 12 months to ensure compliance with current government requirements;
2. Ensured the ChemCentre's code of conduct supports the WA Code of Ethics and the public sector standards;
3. Raised ChemCentre employees' awareness of its code of conduct and WA Code of Ethics through CEO lead communication sessions.
4. Four training sessions designed to incorporate accountability and ethical decision making were held over the previous twelve months, with 84% of staff attending at least one of these.
5. Raise awareness of employee responsibilities in the area of ethics and public sector standards, ChemCentre uses monthly communication sessions, weekly newsletters, induction sessions and the intranet.

Using the actions listed above, the following results have been achieved.

Compliance area	Compliance issues
Public sector standards	1 breach claim – Not upheld.
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 Mining Review & Mining Chronicle	\$3,957
Expenditure with Polling Agencies	-
Expenditure with Direct Mail Agencies	-
Expenditure with Media Advertising Agencies (Generator & Adcorp)	\$8,876
TOTAL EXPENDITURE	\$12,833

Annual Estimates

Section 40 of the FMA provides for the accountable authority of a statutory authority to submit annual estimates 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.

Other Legal Requirements

For the year ended 30 June 2011

CONTENTS

Other Legal Requirements continued

Disability Access and Inclusion Plan Outcomes

ChemCentre's Disability Access and Inclusion Plan (DAIP) is available to the public on its website. ChemCentre is working towards completing the outcomes incorporated into the plan. Over the next twelve months ChemCentre will concentrate on improving its disability access services and ensuring ChemCentre staff and the public are aware of their availability.

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
A formal evaluation of the efficiency and effectiveness of ChemCentre's recordkeeping system was conducted. Suggestions for improvements to ChemCentre's recordkeeping system have resulted in actions to be incorporated into the Recordkeeping Plan for the next financial year.
2. Training
96% of ChemCentre staff have completed the online training program for records

awareness. 7 new staff were retrained on the Records Management System. Regular information in the form of newsletter items and emails to employees are produced to ensure that staff are familiar with their record keeping responsibilities. In addition, ChemCentre has in place record keeping policies and procedures which includes the management of emails. Several updated and new pamphlets covering a range of recordkeeping topics are available on the intranet

3. An evaluation of the efficiency and effectiveness of recordkeeping training will be 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 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.

Other Legal Requirements

For the year ended 30 June 2011

CONTENTS

Other Legal Requirements continued

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.

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 and 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 2010/11 against the following targets:

Indicator	2009-10 ⁽¹⁾	2010-11 ⁽¹⁾	Target 2010-11	Result
Number of fatalities	0	0	Zero (0)	Target achieved.
Lost time injury/disease (LTI/D) incidence rate	1	0	Zero (0) or 10% reduction on previous year	Target achieved. 0 (Zero)
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	57%	72%	Greater than or equal to 50%	Target achieved. (72%)

Notes:

(1) The results are sourced from the RiskCover's Performance Worksheet 2011 and internal training records.

Publications and Presentations

CONTENTS

Research Papers

Basavaraj, S, Benson HAE, **Cruickshank, C**, Brown, DH & Chen, Y, 2011 'Development of a liquid chromatography/mass spectrometry methodology to separate, detect, characterize and quantify PEG-resveratrol prodrugs and the conjugation reaction precursors and intermediates', Rapid Communications in Mass Spectrometry, vol. 25, pp. 1543–1551

Glencross, B, Hawkins, W, Evans, D, Rutherford, N, **McCafferty, P**, **Dods, K** & Hauler, R 2010 'A comparison of the effect of diet extrusion or screw-press pelleting on the digestibility of grain protein products when fed to rainbow trout (*Oncorhynchus mykiss*)', Aquaculture, vol. 312, pp.154-161

Krebs, GL, Kumara Mahipala, MBP, **McCafferty, P** & **Dods, K** 2010, 'Determining the quality of diets of grazing animals', Adapting mixed farms to future environments: Proceedings of the 25th Annual Conference of The Grassland Society of NSW Inc, Dubbo, pp. 80-84.

Kumara Mahipala, MBP, Krebs, GL, **McCafferty P**, **Naumovski T**, **Dods, K** & **Stephens R** 2010 'Predicting the quality of browse-containing diets fed to sheep using faecal near-infrared reflectance spectroscopy', Animal Production Science, vol. 50, pp. 925-930

Ramalingam, M, Hinwood, A, Boyce, M, Barton, C, Callan, A, Heyworth, J, **McCafferty, P**, & Odland, JO 2011 'Metals exposure in pregnant women in south west Western Australia – preliminary results', Epidemiology, vol. 22, pp. s61

Patterson, BM, Shackleton, M, Furness, AJ, Bekele E, Pearce, J, Linge, KL, Buseti, F, **Spadek, T** & Toze, S 2010 'Behaviour and fate of nine recycled water trace organics during managed aquifer recharge in an aerobic aquifer', Journal of Contaminant Hydrology, vol. 122, pp. 53-62

Patterson, BM, Shackleton, M, Furness, AJ, Pearce, J, Descourvieres, C, Linge, KL, Buseti, F & **Spadek T** 2010 'Fate of nine recycled water trace organic contaminants and metal(loid)s during managed aquifer recharge into a anaerobic aquifer: Column studies', Water Research, vol. 44, pp. 1471-1481

Prepared Reports

Clarendon, S, Rivers, M, **Walton, K**, Clarke, M, Vivian, S & Allen, T 2010 'Project 4A4: Alternative Lime Source Trial – Potential for amended bauxite residues as liming agents in agricultural enterprises', prepared for the Centre for Sustainable Resource Processing, Department of Agriculture and Food Western Australia.

Walton, KS, & Allen, DG 2010 'Field evaluation of municipal solid waste compost for recreational turf establishment – Perth Esplanade trial', prepared for the Department of Environment and Conservation, Waste Authority (WA).

Conference Presentations and Publications

Crisp, H, **Reynolds, D** & Graham, C 2010 'Industrial precursors... how much are we missing?', presented at Australasian Chemical Diversion Congress, Perth, Australia.

De Tata, D, **Collins, P** & McKinley, A 2010 'A study of the stability of nitro-organic explosives in soil', presented at International Symposium on Analysis and Detection of Explosive, Canberra, Australia.

Ho, K 2011 'A role for DNA fingerprinting to help resolve environmental health issues', presented at Environmental Health Australia (WA) Inc 65th Annual Conference, Swan Valley, Australia.

Humphries, R, Long, T, **Walton, K** & Allen, D 2011 'Maximising the economic value of biosolids: creating catchment and waterways restoration, climate adaptation and business improvement – all at once!', tabled at Ozwater '11, Adelaide, Australia.

Publications and Presentations continued

Jambol, I, Taylor, P & King T 2010

'Miniaturised chromatographic systems for the onsite detection of contaminants', presented at CRC CARE Communicate 2010, Adelaide, Australia.

James, E, Zang, H, Pareek, V & Wilkinson, S

2010 'Vulnerability of indoor air to airborne toxics', presented at CRC CARE Conference, Adelaide, Australia.

McCafferty, P, North, M, Taylor, P, Rabiasz, H & Blair, P 2011

'Development of a sustainable potable water solution for Perth, Western Australia', presented at Singapore International Water Week, Singapore.

McCafferty, P, North, M, Lau, S, & Reid B

2011 'Recent developments in methodology to permit more robust assessment of the impact of dredging on marine systems', presented at Australian Marine Science Association Conference, Fremantle, Australia.

McCafferty, PB, Wajrak, M 2010 'Validation of a portable digital voltammeter, PDV6000+ Instrument for detection of lead in rain water sample in Esperance, Western Australia', 15th International Conference on Heavy Metals in the Environment, Gdansk, Poland.

Oosthuizen, F 2010 'A semi-quantitative analysis of more than 60 basic drugs in roadside oral fluid by LCMS-QQQ (Dynamic MRM)', presented at the 20th International Symposium on the Forensic Sciences, Sydney, Australia.

Powell, R, Priddis, C, De Tata, D, Davies, M & Collins P 2010

'An ignitable liquid database utilising target compound chromatograms to assist in interpretation of accelerants casework', presented at the 20th International Symposium on the Forensic Sciences, Sydney, Australia.

Sharma, R, Bell, RW & Wong MTF 2011

'Phosphorus forms in soil solution of contrasting profiles and their implications for P mobility in south west of Western Australia', presented at Nutrient Management Forum, Perth, Australia.

Sumner, S 2010 'A semi-quantitative method for the simultaneous analysis of designer amphetamine type stimulants in whole blood', presented at the 20th International Symposium on the Forensic Sciences, Sydney, Australia.

Walton, KS 2010 'Soil amendment field trials using recycled organics', presented at Using compost with confidence in open space, sportsfield and roadside applications, Perth, Australia.

Walton, KS 2011 'From waste to resources:

turf trials on the sandy soils of the Swan Coastal Plain, Western Australia', presented at International Symposium on Organic Matter Management and Compost Use in Horticulture, Adelaide, Australia.

Walton, KS 2011 'Meeting industry needs:

providing proficiency programs for the recycled organics industry', presented at Australasian Soil and Plant Council National Council, Canberra, Australia.

Walton, KS 2011 'Past, present, future – ChemCentre's role in supporting the lime industry of Western Australia', presented at Lime WA Inc. AGM, Perth, Australia.

Walton, KS & Allen, DG 2011 'Evaluating the impact of soil amendments on the Swan Coastal Plain', presented at Nutrient Management Forum, Perth, Australia.

Publications and Presentations

CONTENTS



Publications and Presentations continued

Walton, KS & Allen, DG 2011 'Meeting industry needs: proposed rapid screening test for compost and recycled organics', presented at International Symposium on Organic Matter Management and Compost Use in Horticulture, Adelaide, Australia.

Walton, KS & Allen, DG 2011 'Rapid screening test for recycled organics and other soil amendments', presented at Australasian Soil and Plant Council National Council, Canberra, Australia.