



# ChemCentre

ANNUAL REPORT

FOR THE  
YEAR ENDED  
30 JUNE 2018

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# Statement of Compliance

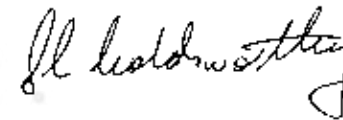
## Statement of Compliance

**For year ended 30 June 2018**

**Hon. Dave Kelly MLA. Minister for Water; Fisheries; Forestry;  
Innovation and ICT; Science.**

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the annual report of ChemCentre for the financial year ended 30 June 2018.

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



**Denise Goldsworthy**  
Chair  
ChemCentre Board  
29 August 2018



**David Blyth**  
Chair of Finance &  
Growth Committee  
Member of Governing Board  
29 August 2018

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# Overview





# OVERVIEW



## From the Chair

In last year’s Annual Report, I wrote that “ChemCentre has an enviable reputation as an objective, science-based organisation, providing an essential service to Western Australia. People are accustomed to looking to us to provide the truth”.

Twelve months on, that still rings true, and ChemCentre continues to provide exceptional service to WA. State-of-the-art technology is crucial to supporting ChemCentre to meet its legislative mandated functions to provide services that protect the public health and safety of the community of WA. ChemCentre is working closely with its stakeholders to ensure that we are able to offer the advantages of technological advances in the scientific sector.

ChemCentre has continued to perform outstanding work and provide West Australians with exceptional evidence-based information to underpin our justice and coronial systems, food security and safety, and environmental risk and safety. This is down to the tenacity and hard work of the Board and staff and I heartily thank them for their ongoing efforts. Over the past year, some great work has been done that is worthy of celebration, as detailed in the pages that follow.

Briefly, we have established further research collaborations across all the arenas in which we work, we have strengthened relationships in agriculture, mining, water, and oil and gas. The smooth integration of the National Measurement Institute’s (NMI) WA operations into ChemCentre has been a resounding success, expanding our capabilities and improving our service across key areas. In his first full-year as CEO, Peter McCafferty has made grand efforts in terms of commercial awareness and a more inclusive and productive workforce. An increased focus on efficiency and process has dramatically reduced backlogs across the organisation.

In the scheme of things, we are a relatively small organisation, yet we manage to punch well above our weight, quietly going about a task that the public simply assumes will be done.

I thank my fellow Board members for their ongoing contribution and support, and in particular thank departing members John Farrow, Wendy Malcolm and Bruce Brennan for the service they provided. Tresslyn Walmsley and Ian Harrison have been appointed to fill two of the vacancies and are already making valuable contributions to the organisation.

I am proud to Chair the Board of an essential organisation that stands in such good public stead and that carries its well-deserved reputation with pride.

**Denise Goldsworthy**  
**Chair, ChemCentre Board**

# OVERVIEW



## From the CEO

ChemCentre delivers world-class science to the Western Australian government and public. International recognition of our expertise in recycling technologies and environmental assessment was highlighted this year by the visit of a German delegation. A workshop conducted during the visit provided a forum for us to share scientific, economic and regulatory lessons and cement partnerships.

Our collaborations with the food sector have been strengthened this year, with our participation in the new Cooperative Research Centre for Honey Bee Products (CRC HBP). The CRC HBP is a perfect fit for our ongoing research into honey. This work has enabled ChemCentre to develop testing and certification methodologies that have broad relevance in other industries. This has already led to us becoming part of the Fight Food Waste CRC, where we will have a pivotal role in reducing and transforming food waste to improve industry profitability, tackle food insecurity and enhance the future sustainability and profitability of the Australian food industry field.

While these long-term research efforts are crucial to WA’s sustainability and ongoing prosperity, ChemCentre also continues to fulfil a critical role in day-to-day public safety and community well-being. In this capacity, during the year we assisted the government with the resolution of lead contamination in water at the Perth Children’s Hospital. We have also developed a new aerial emergency response (ER) capability, in partnership with the Department of Fire and Emergency Services (DFES). Thankfully, to date, we have not needed to use this capability in an emergency but, should the need arise, we have the capacity, and successfully deployed a crew to fly from Jandakot to Bunbury in a training response exercise.

ChemCentre continues to deliver comprehensive services to Racing and Wagering Western Australia (RWWA), WA’s controlling authority for thoroughbred, harness and greyhound racing. This contract saw a new addition to our instrument fleet, allowing ChemCentre to analyse more samples with a broader level of screening for every post-race sample taken.

Our forensic drug analysis laboratory remains busy. An increase in novel psychoactive substances, such as hyoscine and fentanyl derivatives, requires our analytical capabilities to constantly evolve and improve. In recent years the huge number of drug samples requiring analysis has presented challenges at times. This year we have made dramatic progress on this front, reducing the waiting time for analysis of routine cases from 80 days last year to an average of ten days this year. Notably, there is now no backlog. This was achieved by dramatically increasing the efficiency of the processes we use and was done so at no additional cost nor increase in staff.

Maintaining a focus on efficient practices has enabled us to address backlogs in other areas of the business, particularly in some Research and Development programs that have been behind schedule. This year we expanded our accredited methodology in racing chemistry and food analyses, including the introduction of proteomics testing; and in the environmental group with Leaching Environmental Assessment Framework (LEAF) and Perfluorinated Alkyl Substances (PFAS) methodologies.

ChemCentre staff are tremendously capable and adaptable, and this enables us to be flexible and move to meet emerging demands as society’s needs and expectations shift. I’m constantly impressed with the calibre of the people I work with at ChemCentre. We are ably governed by an exceptional Board and have a dedicated, stable, and diverse staff, enabling ChemCentre to maintain its role in keeping WA safe and prosperous.

**Peter McCafferty**  
**Chief Executive Officer**

# Executive Summary



## EXECUTIVE SUMMARY

### Working for a safe and prosperous community

ChemCentre is a statutory authority of the Western Australian Government operating under the Chemistry Centre (WA) Act 2007. Our primary purpose is to provide chemical services and expertise to mitigate state risk, protect the community and support sustainable development. The WA community is the ultimate beneficiary of our services.

#### What we offer

ChemCentre offers a unique combination of scientific excellence and applied expertise across a diverse range of testing capabilities:

- ✓ Internationally recognised expertise and experience in our specialist fields
- ✓ Routine and bespoke services to suit clients' needs
- ✓ State-of-the-art analytical equipment and methods
- ✓ National Association of Testing Authorities (NATA) accreditation across many of our specialist areas, with the longest running NATA accreditation in Australia (first accredited in the 1950s)
- ✓ Applied Research and Development (R&D) to identify and develop new methods to assess emerging risks and assist the sustainable development of WA
- ✓ Collaborative scientific networks with partners at the state, national and international levels
- ✓ Continuous on-call capability for dealing with hazardous chemical emergencies and criminal and terrorism investigations that may impact West Australians

#### Our core responsibilities

To support a safe and prosperous WA, ChemCentre works to:

- ✓ Mitigate risks to government associated with public health, public safety and the environment

- ✓ Keep the state safe during times of emergency and crisis
- ✓ Support the state justice and policing systems
- ✓ Support the sustainable economic development of the state
- ✓ Support science capability and engagement in the state
- ✓ Develop our people and enhance organisational capability

#### Sustainability

ChemCentre is committed to sustainability. Our work contributes to WA's environmental and economic sustainability, by providing advice and information to government and industry, including mining, agriculture and food industries. As an organisation, we seek to ensure we conduct our activities in a way that is sustainable. This includes ensuring our staff work in a safe environment, are treated respectfully and given opportunities to grow professionally and personally. We continue to retain gender balance in our staff, with around half of management positions held by women. This makes us a leader in gender equity in STEM organisations, which is attributable to our flexible workplace and inclusive culture.

#### Our work

ChemCentre's day-to-day work is organised around two main areas: forensic science and scientific services, which incorporates emergency response. We also conduct research, education and outreach activities. We work from analytical laboratories housed within the chemistry precinct at Bentley, and proudly rank many internationally-renowned chemists among our staff.

We operate under the highest standards of procurement and governance. Our work encompasses all the major industries in WA, including agriculture and mining, and provides essential chemical information and services in policing, justice, public health and safety, and environmental protection.



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## EXECUTIVE SUMMARY

ChemCentre continually seeks to offset the cost to government of delivering on its statutory obligations by earning revenue from industry and providing analytical testing services for other government departments. An example of this is the way ChemCentre has integrated the analytical capabilities, select staff and clients of the Federal Government's National Measurement Institute (NMI) into its operations. In the 2017-18 reporting year this resulted, in a larger customer base, greater revenue to the organisation, increased analytical capabilities and an immediate influx of talent that has also allowed us to augment our Emergency Response (ER) capability.

Consistent with the Premiers Circular 2016-01, ChemCentre continues to encourage all Western Australian government departments to use our services, as additional revenue will defray the costs of ChemCentre delivering its statutory responsibilities.

### Forensic science

ChemCentre's forensic science laboratory provides analytical services in forensic toxicology, chemical criminalistics, drug analysis and racing chemistry. The scientifically-robust, legally-defensible testing and expertise we provide to state and district coroners, the police and other government agencies supports WA's coronial and justice systems. Our specialists examine a range of evidence, including blood and urine samples from coronial investigations into sudden or unexplained deaths, and oral fluids from roadside drug testing. We characterise trace evidence such as explosives, accelerants, gunshot residues, paint, hair and fibres for criminal investigations. Our proteomics capability – that is our ability to systematically identify and quantify the proteins of biological systems – makes us a national leader in forensic methodology and enhances our ability to provide information to the coroner, police, courts, and racing and sports agencies.

### Scientific services

ChemCentre provides scientific services, analysis and advice about chemicals that may be associated with air, water, soil, biota (blood and plant tissue), mining, occupational health and safety, agriculture, petroleum, manufacturing and processing industries. We advise industry and government through its agencies to assess chemical risk. Our expertise contributes to WA's sustainable economic development while ensuring the state's people and environment are safeguarded against chemical risks. We maintain a forward outlook, working hard to develop new testing methodologies that will meet future needs and help foster fledgling industries and our advice is fully backed by quality assurance accreditation.

Our fee-for-service work also enables our staff to maintain and enhance their skills and knowledge and routinely operate the equipment necessary to address the hazardous materials (HAZMAT) and suspected chemical, biological and radiological (CBR) threats across WA and to meet other government requirements.

### Emergency response

Our ER team draws upon 22 expert staff from within the organisation, with a fully equipped mobile laboratory ready to respond at any time, day or night, every day of the year. This year, the ER capability was successfully extended to include an aerial response capability in conjunction with DFES which can be used to improve response times and access in the event of a HAZMAT or CBR incident in regional WA. On arrival at an incident, the ER team follows strict protocols to ensure their safety is maintained while unknown chemicals are identified to ensure that any threats to the people or state of WA are resolved as quickly as possible.

## EXECUTIVE SUMMARY

### Research and development

ChemCentre's research and development helps mitigate risks associated with public health and safety, supports the justice and racing sectors and contributes to our standing in the scientific community. Our research helps enable government to make informed decisions and develop evidence-based policies to mitigate WA's chemistry-related risk. It also conducts product research aimed at value-adding and increasing market potential to assist in growing and diversifying the WA economy.

ChemCentre's research focuses on four priority areas: agriculture and food; environment and mining; water; and forensic science.

### Education and outreach

ChemCentre delivers a range of outreach activities and broader community engagement as a key function under our enabling legislation, which requires ChemCentre to 'promote and assist in the provision of chemistry-based education and training'. This program includes science communication through traditional and social media; providing expertise to state, national and international working groups; and an outreach and education program. This includes school visits, opportunities for 'citizen science' projects, guest lecturing and postgraduate student supervision. ChemCentre also supports and participates in science-related community events such as ChemCentre Open Day and the Perth Science Festival.

### Business and corporate services

The Business and Corporate Services Division provides fit for purpose and legally maintained business systems support in human resources, finance, risk management, governance, change management, project management, procurement and information technology functions for ChemCentre. These functions directly impact ChemCentre's service provision and help build a sustainable, responsive and leading organisation.



## EXECUTIVE SUMMARY

### Highlights

This section of the annual report summarises highlights from our work in 2017-18 across all of our activities.

#### In the 2017-18 financial year, ChemCentre:

- ✓ Responded to 35 emergency incidents, all of which were resolved quickly and efficiently, thus maintaining public safety and environmental integrity.
- ✓ Worked with the State Government to resolve the issue of lead contamination in water at Perth Children's Hospital (PCH). In this capacity we analysed almost 30,000 samples and provided advice that ultimately led to the issue being rectified.
- ✓ Completed our very successful microscopy education and fibres collection project with Lynwood Senior High School. Those fibres were then entered into our fibres database by university student officers over the summer break. Our database now has well over 20,000 fibres.
- ✓ Cleared our significant backlog in testing illicit drugs by timely resource allocation and a change to our processes, to achieve a stable system where samples are turned around on average within 10 days, compared to up to 80 days last year.
- ✓ Improved our handling of coronial cases, enabling us to halve our backlog and reduce turnaround times to 4-5 weeks.
- ✓ Analysed more than 300 compressed air samples, including 65 urgent samples (requiring analysis within 24 hours).
- ✓ Completed more than 40 visits to landfill facilities throughout the Perth metropolitan area to classify hazardous household chemical waste for disposal.
- ✓ Established a proteomics analytical capability, enabling the investigation of large molecules, such as peptide drugs and toxins, disease biomarkers and performance enhancing hormones. This enables the provision of better diagnostic information to assist in determining the cause of death in coronial matters. The proteomics capability also allowed the establishment of new methods for anti-doping investigations in the racing industry and trace evidence comparison, critical to criminal investigations.





## EXECUTIVE SUMMARY

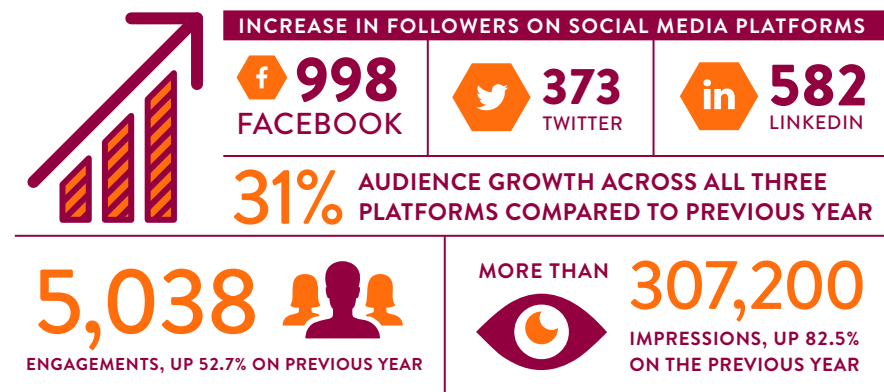
- ✓ Developed new validated methods to identify the trace levels of new psychoactive substances (such as NBOMe and fentanyl-derivatives), opiates and tetrahydrocannabinol (THC) as they manifest in the community.
- ✓ Successfully identified the substance consumed by nine backpackers in a group drug overdose. We rapidly identified the drug, ensuring the correct life-saving treatment could be administered.
- ✓ Developed analysis procedures for medicinal cannabis.
- ✓ Continued our work on establishing protocols and certification standards for honey through our involvement in the newly established Cooperative Research Centre for Honey Bee Products (CRC HBP). The certification process uses compositional chemistry and other techniques to characterise different bee products and will also help identify potential nutraceuticals in honey, thus helping to increase the product's value and uses.
- ✓ Successfully developed a sequential leaching method that will serve as an alternative screening tool to kinetic leaching testing, for fast-tracking environmental impact assessment and mining approvals processes and cutting delays by up to two years.
- ✓ Reached 1,056 school students, 580 university and TAFE students, and 300+ educators or professionals through school visits, lectures and presentations and conference participation.
- ✓ Welcomed more than 4,000 visitors to ChemCentre Open Day.
- ✓ Reached an additional 6,000 people through community events, including Perth Science Festival, Curtin Open Day, DFES Conference and public library presentations.
- ✓ Supervised three honours and eight postgraduate students from Curtin, Edith Cowan and Murdoch Universities; provided work experience placements for three students and five summer vacation work placements of whom four secured further employment at ChemCentre.



## EXECUTIVE SUMMARY

- ✓ Continued our collaboration with Royal Perth Hospital on the WA Illicit Substance Evaluation Study (WISE), which is helping to improve screening and diagnostic procedures for people presenting at hospital emergency departments under the influence of psychoactive substances.
- ✓ Led Australia in authenticating the Leaching Environmental Assessment Framework (LEAF) tests and modelling tools. LEAF combines geochemical modelling and laboratory-based tests to help understand how industrial waste derived materials (from the resources and energy sectors) will behave in the environment in the long term, and lead to more informed decisions regarding how to manage industrial wastes and by-products.
- ✓ Developed methodology that allows public authorities to make timely and informed decisions about existing and potential contamination issues, such as iron ore dust or lead.
- ✓ Developed techniques to provide enhanced ventilation studies that improve workforce safety in underground mining.
- ✓ Co-ordinated a Leaching Environmental Impact Assessment (LEAF) workshop with international experts Hans van der Sloot (The Netherlands) and Professor David Kosson (USA) with active participation from industry and government agencies.
- ✓ Working with DFES, developed an aerial ER capability and obtained additional mobile hand-held ER equipment to improve service and reduce the public's vulnerability in the case of large or multiple chemical incidents occurring at the same time.
- ✓ Began a comprehensive review of our record management systems to meet current and future requirements including adding new modules to better manage policies and procedures, and creating a centralised, single repository to ensure consistency and validity of information.
- ✓ Improved our laboratory information management systems (LIMS) to better align with business needs and expected business activity.

- ✓ Maintained an active social media presence, with 30% growth in followers, audience, activity and interactions across the three platforms we engage in (Facebook, Twitter and LinkedIn).



- ✓ Achieved extensive media coverage of our work across print, radio, television and online. This included coverage of the all-women ER team on Channel Seven's Today Tonight program highlighting ChemCentre's commitment to gender equity in the workplace; an ABC TV Landline story which focused on work being done by ChemCentre food scientists to develop a certification process for WA mono-floral honeys; ABC TV News and ABC online coverage of the forensic science team's work in developing a fibres database, the first of its kind in Australia and one of only two in the world.
- ✓ Full integration of the former National Measurement Institute (NMI) staff and functions into ChemCentre. This has increased ChemCentre's analytical capacity and provided the former NMI staff with broader career opportunities.
- ✓ Began a functional review of the Business and Corporate Services Division to ensure the business unit responds appropriately to the needs of the broader organisation and provides relevant and purposeful support.



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## EXECUTIVE SUMMARY

### Collaborations

ChemCentre works with many other agencies and organisations, bringing our expertise in chemistry to a range of projects that protect the community and support sustainable development. Our major collaborations are summarised here.

Project	Collaborators	Timing	Focus	ChemCentre contact
<i>Certifiable compositional chemistry that promotes sustainable growth in market value for iconic WA honey floral brands</i>	Cooperative Research Centre for Honey Bee Products (Honey CRC); Bee Industry Council of WA (BICWA); WA Farmers Federation (WAFF); Department for Primary Industries and Regional Development (DPIRD); University of Western Australia (UWA); Department of Biodiversity, Conservation and Attractions (DBCA)	2016-2022	Sustainable industry	Ken Dods
<i>Industry standards optimising storage and supply volume of WA mono-floral honey</i>	Cooperative Research Centre Fighting Food Waste (Fighting Food Waste CRC); DPIRD; BICWA; WAFF	2017-2021	Sustainable industry	Ken Dods
<i>Certified distributor driven outcomes that drive export sustainability for the WA honey industry</i>	Fighting Food Waste CRC; DPIRD; BICWA; WAFF	2017-2021	Sustainable industry	Ken Dods
<i>Certifiable chemistry promoting sustainable growth for WA sandalwood plantation products</i>	Fighting Food Waste CRC; DPIRD; Australian Sandalwood Network (ASN); Buzz from the Bees; Australian Natural Botanical	2018-2022	Sustainable industry	Ken Dods
<i>Value adding to the truffle harvest</i>	Fighting Food Waste CRC; Cooperative Research Centre (CRC) Fighting Food Waste; DPIRD; WA Truffle Industry Association	2018-2021	Sustainable industry	Ken Dods
<i>Insect protein for aquaculture feed</i>	Fisheries Research and Development Corporation (FDRC); UWA; Future Green Solutions	2018-2020	Sustainable industry	Ken Dods
<i>Mine Pit Lakes – Their Characterisation and Assessment for In-Situ Metal Recovery Opportunities and Cost-effective Environmental Management</i>	Minerals Research Institute of WA (MRIWA); Cooperative Research Centre for Contamination Assessment and Remediation of the Environment (CRC CARE); CSIRO; MBS Environmental; DMIRS; DWER; and mining companies from iron ore, gold and base metals commodities	2018-2020	Sustainable industry and environment	Dr Silvia Black

## EXECUTIVE SUMMARY

Project	Collaborators	Timing	Focus	ChemCentre contact
<i>Establishing Leaching Environmental Impact Assessment Tools (LEAF) in the Development of a WA Framework for By-product Re-use and Classification</i>	MRIWA; Alcoa; Iluka; Aroona Alliance (Water Corporation); MBS Environmental; DWER; and DMIRS	2016-2018	Sustainable industry	Dr Silvia Black
<i>A Study of Nano Diesel Particulate Matter (nDPM) Behaviour and Physico-chemical Changes in Underground Hard Rock Mines in Western Australia</i>	MRIWA; DMIRS; MIAC (Mining Industry Advisory Committee) nDPM Work Group; Curtin University (School of Public Health and WA School of Mines); BBE Consulting Australasia; Queensland University of Technology; AngloGold Ashanti; Barminto; the Australian Institute of Occupational Hygienists (AIOH)	2016-2018	Sustainable industry and Occupational Health and Safety	Dr Silvia Black
<i>Total Suspended Particulate (TSP) Source Apportionment in Port Hedland: Phase One</i>	Pilbara Port Authority; MBS Environmental	2017-2018	Sustainable industry and environment	Dr Silvia Black
<i>Validation and Standardisation of Sequential Leaching Tests to Better Predict the Impact of Mining on Ground and Surface Water Quality</i>	MRIWA; BHP; MBS Environmental; DWER; and DMIRS	2015-2018	Sustainable industry	Dr Silvia Black
<i>Validation and Standardisation of Sequential Leaching Tests to Better Predict the Impact of Mining on Ground and Surface Water Quality – Phase 2</i>	MRIWA; BHP; FMG; Rio Tinto; CRC CARE; MBS Environmental; DWER; and DMIRS	2019-2021	Sustainable industry	Dr Silvia Black
<i>Environmental Research – Saline Leaching Study</i>	FMG; MBS Environmental	2015-2018	Sustainable industry and environment	Dr Silvia Black
<i>Eric Singleton Wetland Data Analysis</i>	CRC for Water Sensitive Cities; Department of Biodiversity, Conservation and Attractions (DBCA); UWA	2018-2019	Sustainable industry and environment	Dr Silvia Black
<i>WA Illicit Substance Evaluation Study (WISE)</i>	Royal Perth Hospital	2016-2020	Forensics	Dr Francois Oosthuizen
<i>Fibres Database</i>	WA Police; National Institute for Criminalistics and Criminology (NICC) Belgium; interstate forensic science laboratories; Lynwood Senior High School	2009 – Ongoing	Forensics	Dr John Coumbaros and Rees Powell

## EXECUTIVE SUMMARY

### Case studies

The following case studies provide examples of specific projects being undertaken at ChemCentre to illustrate the breadth and depth of our daily work.

#### Getting WISE on drugs

Recreational drug use is an increasing public health issue in our society. The average purity of methamphetamine seized by police in WA has increased from 15% to 75% in just seven years. There is also a range of new synthetic drugs entering circulation, which are collectively termed novel psychoactive substances. These include many novel stimulants and hallucinogens, such as cathinones, NBOMe type drugs, and synthetic cannabinoid receptor antagonists.

The Western Australian Illicit Substance Evaluation (WISE) is a novel study, based in the Royal Perth Hospital emergency department (ED), where patients suspected of being under the influence of recreational drugs have a blood sample taken to identify the causative agent. ChemCentre is analysing these samples, using liquid chromatography-mass spectrometry techniques. Prior to analysis, the sample is permanently de-identified to protect patient anonymity. We aim to identify what, if any, drugs are present, determine their concentration, and relate the toxicology findings to the clinical picture and complications. We will also compare the analytic result with what the patient believed they had taken.

This study will help identify or highlight the prevalence of methylamphetamine and novel psychoactive substances in patients presenting to the ED. The study will also assist in identifying trends in drug use in patients presenting to the ED, which is vitally important from a public health perspective. If information of early interest to clinicians or the general public is identified, this would be released in the interest of public safety. The study is nearing the end of its second year with 600 samples analysed since the study commenced.



## EXECUTIVE SUMMARY

### Proteomics

Proteomics refers to the systematic identification and quantification of the proteins of a biological system – such as cell, tissue, organ or biological fluid. ChemCentre is exploring the establishment of proteomics-based forensic methodologies, using high resolution mass-spectrometry to develop the powerful screening and quantitative analyses required.

The project has helped establish enhanced methodology for the detection and analysis of performance enhancing peptides in racehorses. A mass-spectrometry based proteomic methodology that targets other larger molecules of forensic interest, such as insulin in post mortem coronial cases, has also been developed.

This project, 'insulin in coronial casework', is aimed at enhancing ChemCentre's reporting capability of the Coronial Toxicology Program, assisting forensic pathologists when investigating cause of death.





## EXECUTIVE SUMMARY

### Setting international standards

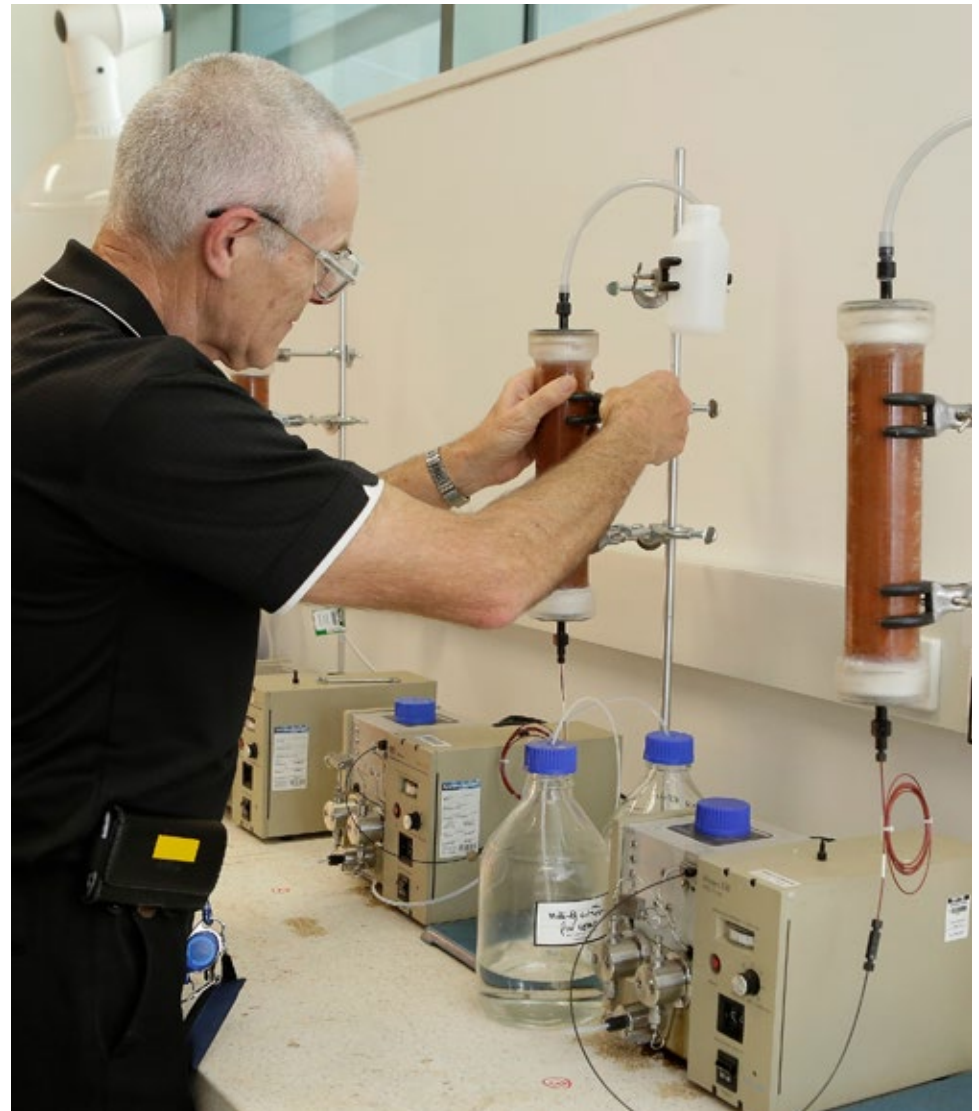
ChemCentre is at the forefront of cyanide chemistry and soil leaching worldwide and provides crucial input into the International Organisation for Standardisation (ISO) standards.

Cyanide is used in the extraction of gold from ores. Australia is the second largest producer of gold in the world, with Western Australia producing 60% of the national total. It is vital, both for industry and government regulatory authorities, that the use of cyanide is appropriately managed, and any potential or real environmental impact assessed and monitored.

Given the many international companies that operate in Australia, it is important for Australia to have input into international standards and to ensure that they are aligned with our national requirements. It is also essential for Australian companies that cyanide analysis standards are fit for purpose in Australian conditions and industry.

A significant outcome of our ISO involvement with cyanide standards is the new ISO standard titled 'ISO/TR 19588:2017 Background information and guidance on environmental cyanide analysis'.

ChemCentre's work in developing ISO leaching standards is directly related to our increasing involvement with the Leaching Environmental Assessment Framework (LEAF) approach. LEAF combines geochemical modelling and laboratory-based tests to help understand how industrial waste and by-products will behave in the environment in the long term and can lead to more informed decisions regarding how they are best managed.





## EXECUTIVE SUMMARY

### Enhancing our analytical services

ChemCentre's analytical services were broadened and increased this year with the successful integration of the National Measurement Institute's (NMI) Kensington operations. This year saw the full and seamless integration of the former NMI staff and functions into ChemCentre, following the move which occurred in the previous reporting period. Former NMI staff have embraced opportunities associated with being part of ChemCentre, broadening their experience, training and career prospects.

The NMI integration has doubled our capacity in some areas, while in others completely new tests have been added to the range of services offered. New capabilities brought to ChemCentre include a suite of tests used on water samples such as disinfection byproducts and precursors perchlorate for drinking water and bottled water suppliers. Additionally, our emergency response capabilities have been enhanced with many former NMI staff joining our core and on-call emergency response team.

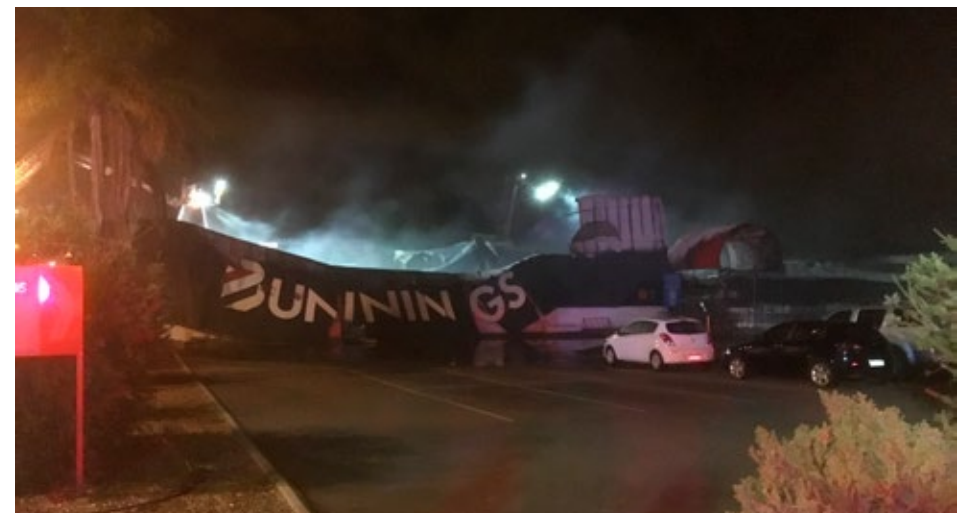


### Bunnings Fire

When fire broke out at the Bunnings warehouse in Inglewood in February 2018, a member of ChemCentre's ER team was among the first responders. The chemicals stored in the building, including paints, paint thinners, plastics, pesticides, fertilisers and gas cylinders contributed to toxic smoke. ChemCentre provided advice regarding evacuation and exclusion zones to help protect local residents, firefighters and the community.

An ER crew remained on site until the fire was extinguished. ChemCentre also provided advice regarding the clean-up of the site after the fire and we analysed various samples that were collected during the incident to ensure that any toxic exposures were managed appropriately.

In situations such as occurred with the Bunnings fire, ChemCentre's expertise in the behaviour of toxic smoke plumes gives advice that enables people to be safely evacuated from at-risk areas before they are in danger.



## EXECUTIVE SUMMARY

### Helicopter capability

Working with the Department of Fire and Emergency Services (DFES), ChemCentre developed and consolidated an aerial ER capability. ChemCentre's ER team can now be deployed by helicopter to attend incidents in regional and remote areas of WA. This aerial capability was first tested in 2016 and was refined through a second multi-agency training exercise coordinated by DFES in February 2018. This exercise involved the deployment of ChemCentre ER by helicopter to support an 'incident' staged in Bunbury where a number of casualties had been affected by an unknown agricultural chemical agent. ChemCentre was required to identify the unknown chemical and to provide advice regarding various response issues associated with the chemical.

Additional mobile hand-held ER testing equipment obtained through an extension of our MOU with DFES has enhanced our response capability in the event of large or multiple chemical incidents occurring at the same time and means we have equipment available to deploy to regional locations without leaving the metropolitan region, with its concentrated population, vulnerable to a chemical incident. The equipment can be readily packed into a helicopter to be transported, along with a ChemCentre ER crew, to a regional incident. The use of the helicopter greatly improves response times and given Western Australia's large area, it is a capability that helps provide peace of mind to all.



## EXECUTIVE SUMMARY

### Honey research gets sweeter

ChemCentre's honey research leapt forward this year with funding for two new research areas. The first overcomes constraints within the industry for storage and supply of mono-floral honey and the second enables the creation of a certified distributor pathway for honey products into international marketplaces.

ChemCentre was also a foundation partner in the formation of the national Cooperative Research Centre for Honey Bee Products (CRC HBP) this year. This has allowed the research into WA mono-floral honeys to be extended into areas of therapeutic interest, such as antioxidant and anti-inflammatory potential.

The honey research in WA, catalysed by ChemCentre and the WA industry partnership, is now a flagship program for the CRC HBP. It continues to deliver outcomes of great value to WA producers in areas such as product compositional certification, traceability and identification, bee nutrition, flowering event prediction, palynology and supply chain systems development. The collaboration has led to the development of a honey certification scheme for mono-floral honeys and an auditable standard for production of these honeys. This year, ChemCentre has established eleven new NATA certified methods that meet International Standard Organisational (ISO) requirements.

Mono-floral honey comes from the nectar of a single plant species, such as jarrah or marri. The certification process uses compositional chemistry and supply chain certification systems to characterise different bee products. It protects against inferior product substitution to provide greater consumer certainty in international marketplaces, allowing WA honey to achieve premium product status.

The R&D model developed for this research has relevance to other agriculture and food sectors. It is receiving increasing support from other industries and funding institutions because of the successful industry outcomes achieved.





## EXECUTIVE SUMMARY

### Reaching out

ChemCentre's outreach activities were headlined by two big days in 2017-18 – our sixth Open Day held in August 2017 and our inaugural ChemDay in May 2018. Our legislation requires that we conduct outreach activities that 'promote and assist in the provision of chemistry-based education and training'. Open Day and ChemDay provided a focus for our outreach and complemented the plethora of activities we engage in to meet this requirement. Both days involved welcoming people to ChemCentre.

Open Day 2017 was our biggest to date, with more than 4,000 people attending. The Open Day celebrated science through encouraging visitors to 'Make Science Your Mission'. The stalls and activities reflected ChemCentre's broad areas of work and its community impact. We welcomed a number of chemistry clubs, universities and partner organisation involvement, highlighting ChemCentre's work and the breadth, depth and beauty of chemistry.

For ChemDay, about 83 students from five schools, including a group who travelled more than 3,000 kilometres from the Cocos Keeling Islands, visited ChemCentre to learn more about chemistry and the many and diverse related careers. The students heard from ChemCentre staff about how they became chemists and what their work entails, including forensics and emergency response. Then, thanks to outreach teams from ChemCentre, Murdoch University, Edith Cowan University and Curtin University, students got 'hands on' with chemistry activities.



# EXECUTIVE SUMMARY

## Keeping the record straight

ChemCentre generates a huge amount of information that is constantly updated and reviewed. Our data records date back to the 1950s, and from time to time other government agencies seek to access historical data.

We have begun a comprehensive review of our record management system to meet current and future requirements. This includes new system modules which are being added to better manage policies and procedures, streamline user interaction with the records management system and ensure consistent records management practices across the agency.

In this way, ChemCentre will install records management system and practices that are responsive to business needs and continue to add value to the organisation. ChemCentre has world renowned expertise. We are ensuring our records management system supports and reinforces that expertise now and in the future.





## EXECUTIVE SUMMARY

### Financial Overview

For the year ending 30 June 2018, the actual operating loss before tax was \$680,000 compared to an actual loss before tax for the previous year of \$529,000 and the 2017-18 budget loss before tax of \$1,302,000. Revenue for 2017-18 was up 14.9% to \$20,562,000 despite a \$715,000 or (9.7%) reduction in service appropriations in 2017-18.

Fee-for-service revenue increased by \$2,000,000 in 2017-18 earned mainly from the non-Government sectors. The non-Government revenue provides a valuable offset against some of the costs necessarily incurred in providing essential statutory obligations (Community Service Obligations) outlined in the *Chemistry Centre (WA) Act 2007*. During 2017-18, the increase in the revenue base mainly resulted from the integration of National Measurement Institute (NMI) Perth operation into ChemCentre and their associated clients.

The other revenue of \$664,000 received during 2017-18 reflected a once-off refund for rental charges following a resolution of the final construction cost of the premises involving landlord Curtin University and the builder. It should be noted that these funds were returned to consolidated funds in the same period by the Department of Treasury with an offsetting reduction against ChemCentre's appropriation.

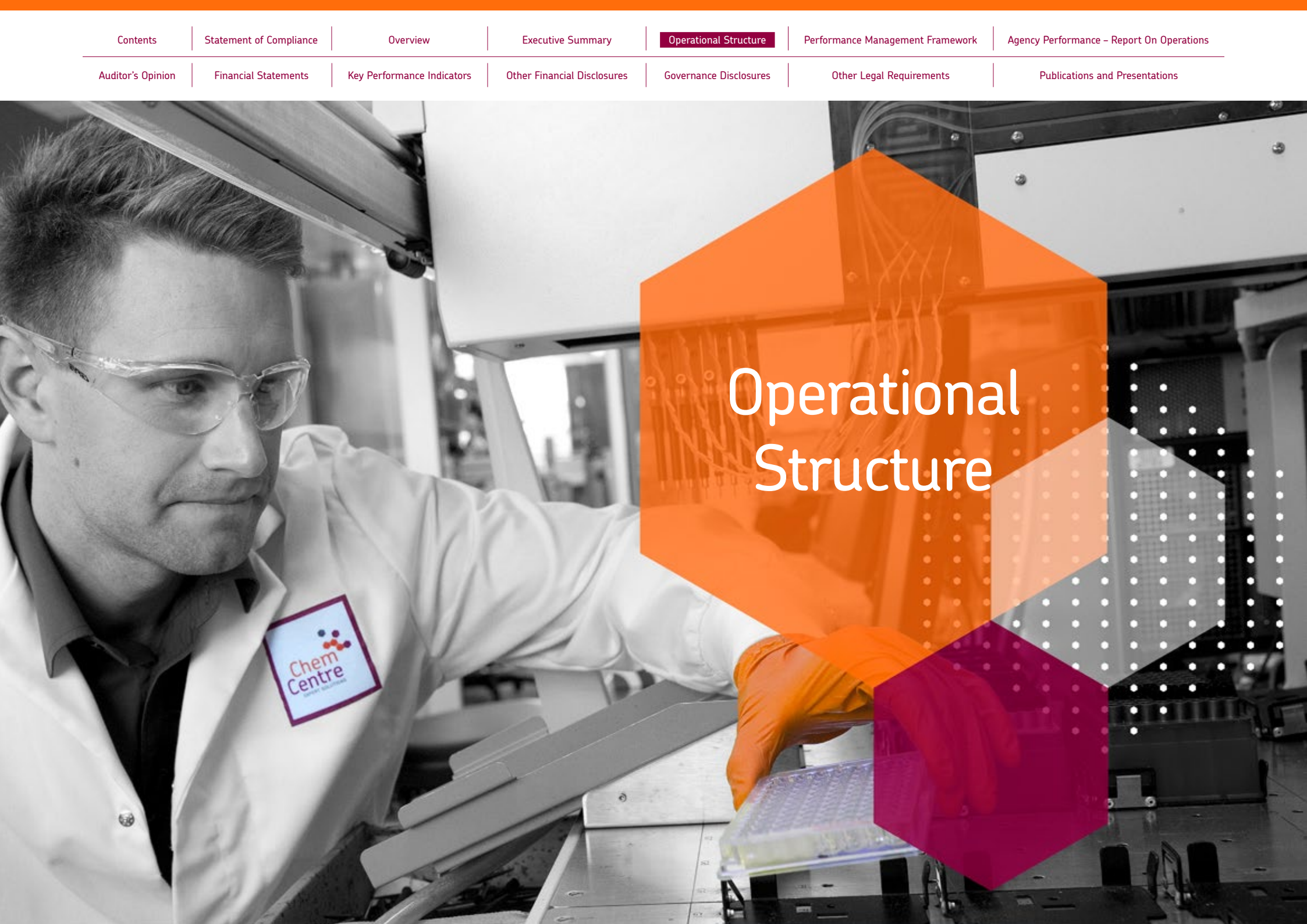
Total expenses during the year have increased by \$2,099,000 or (8.1%) compared with the previous year to \$27,904,000. The other major changes in expenses were:

1. Employee benefits expense increased by \$1,099,000 or (8.0%) to \$14,847,000. This is mainly due to: a) higher FTEs in 2017-18 (131) compared to 2016-17 (121) resulting from the integration with NMI at May 2017; b) the Government awarded a \$1,000 per annum salary increase as per the General Agreement; and c) additional salary costs of \$214,000 arising from the Government initiated Voluntary Targeted Separation Scheme (VTSS).

2. Supplies and services expense increased by \$280,000 these were incurred to undertake additional fee for service revenue
3. External laboratory expenses increased by \$102,000 as some analysis work was sent to external parties to support the increasing fee for service work.
4. Depreciation and amortisation expenses have increased by \$164,000 as a result of assets acquired in 2016-17 and 2017-18.
5. Payments to Cooperative Research Centre have increased by \$195,000 as a result of membership contribution fees. It should be noted that the increased expense associated with projects are recouped from project related income received.

In the 12 months to 30 June 2018 the cash balance increased by \$883,000 to \$2,786,000. This is the net result of an increase in receipts for fee for service work over operational expenses. This was partially offset by a reduction of \$715,000 in service appropriation.

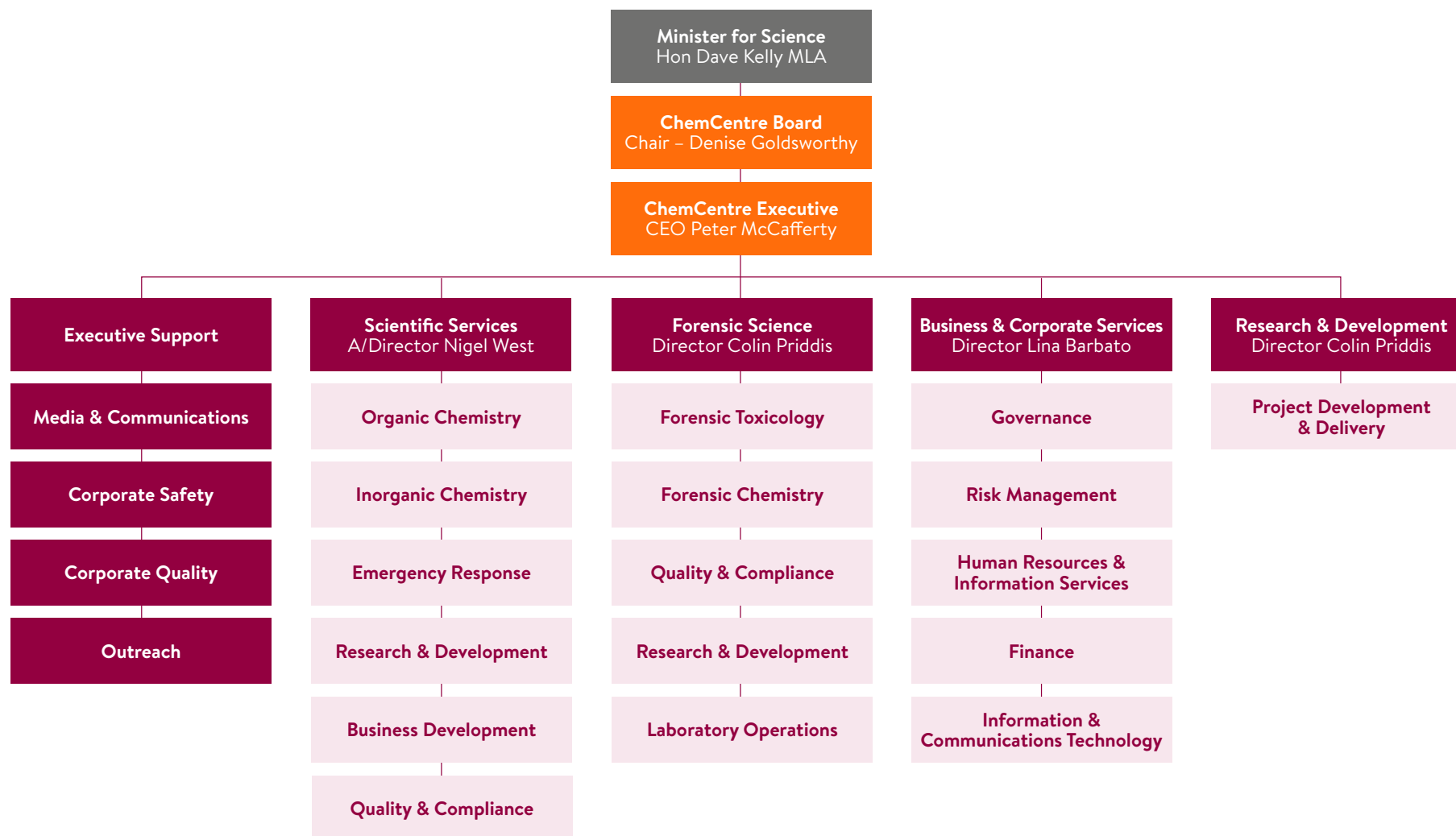
In 2017-18, the capital expenditure included a once-off capital purchase of \$800,000 associated with the new Racing and Wagering WA 5-year contract as approved by Cabinet and a once-off draw down of \$560,000 from the asset replacement holding account held at Treasury. This capital expenditure has resulted in a higher written down value, in 2017-18, than the previous year.



# Operational Structure

# OPERATIONAL STRUCTURE

## Organisational Chart



## OPERATIONAL STRUCTURE

### Board of ChemCentre

Each member of the Board is appointed by the Minister for Science and selected for the relevant expertise that they bring. Appointments (or re-appointments) are for a maximum three-year term, with a staggered rotation of board membership. During 2017-18, Bruce Brennan and John Farrow left the Board at the end of their terms and Wendy Malcolm resigned. Two new members – Ian Harrison and Tresslyn Walmsley – were appointed in November 2017. A remaining board position is yet to be filled.



Back row: Mr Bruce Brennan, Mr Mark Thomas, Mr Ian Harrison  
Front row: Dr David Blyth, Dr Lianne Cretney-Barnes; Ms Denise Goldsworthy, Ms Tresslyn Walmsley

### Board Profiles



**Ms Denise Goldsworthy (Chair) (appointed April 2014)**

#### Board Committee Memberships:

Governance & Nominations Committee

**Board Meeting Attendance:** 6 of 6.

Denise Goldsworthy, FTSE, FAIM, GAICD, is the founder of Alternate Futures Pty Ltd, a specialised consultancy established specifically to work at the interface between Australia's research organisations, tech-start-ups and industry, facilitating connections between problems and solutions. By addressing translation, system and cultural issues, Alternate Futures facilitates the development of internal capability to enable organisations to deliver impact from innovation. Prior to this, Denise worked as a senior executive for Rio Tinto, with roles including Chief Commercial Officer of Autonomous Haul Trucks, Managing Director of Dampier Salt Limited and Managing Director of Hlsmelt Corporation. Prior to her career with Rio Tinto, Denise spent 17 years with BHP Steel at the Newcastle Steelworks.

Denise also has a portfolio of Independent Non-Executive Director roles, including Export Finance and Insurance Commission (Efic); Chair of Minerals Research Institute of WA (MRIWA); Western Power; Leichhardt Industrials; a member of Council at Edith Cowan University; a member of the Commercialisation Advisory Board at Curtin University; and Chair of Trustees for the Navy Clearance Diver Trust. Among Denise's honours is being named the 2010 Telstra Australian Business Woman of the Year.



## OPERATIONAL STRUCTURE



**Dr Lianne Cretney-Barnes (Deputy Chair) – appointed August 2007**

**Board Committee Membership:** Governance and Nominations Committee; Audit & Risk Committee

**Board Meeting Attendance:** 5 of 6.

Lianne Cretney-Barnes has held senior positions in both private and public sector organisations for more than 20 years and has considerable experience in governance, leadership and strategy development. Lianne is also a Board Member and Chair of the Integrity Assurance Committee for Racing and Wagering WA and the WA Partner for Women on Boards.

Lianne has been recognised for her business development skills and commercial acumen, with awards for enterprise and market development including the Edith Cowan University Vice-Chancellor's Award for Enterprise in 2003. Lianne has a professional doctorate in Business Administration and is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management. She has been invited to speak at numerous conferences, both nationally and internationally. Lianne has her own company, Board Connexions, and coaches and mentors CEOs, senior executives and directors.



**Dr David Blyth – appointed July 2014**

**Board Committee Membership:** Finance & Growth Committee

**Board Meeting Attendance:** 6 of 6.

David Blyth is Director/Principal of a consulting practice working with senior executives and boards on strategy development and execution, organisation design and executive talent management. He has more than 30 years' experience in business, industry associations (including the Chamber of Mines WA) and business schools. Prior to his successful consulting career, he was Executive Director of IFAP (a safety-based industry association) and launched an Executive Master of Business Administration program for Curtin University. David's career reflects

successful growth from technical specialist to profit centre manager, operations manager and ultimately as a successful Managing Director of a technical services business. He has also spent four years as Program Director on Curtin's Executive Master of Business Administration.

David is known for his skills in guiding strategy development and the translation of the strategy into programs and initiatives, and for working with, and evaluating, executive teams. These skills are underpinned by strong investment analysis, executive judgement and communication skills. He is also widely consulted on organisational design, operating models and strategic leadership. His doctoral research explored organisational barriers to transformational leadership. David has worked widely in Australia and on assignments in China, South Africa, Ghana, the US and UK over the past five years.



**Mr Mark Thomas – appointed November 2014**

**Board Committee Membership:** Audit & Risk Committee

**Board Meeting Attendance:** 5 of 6.

Mark Thomas was appointed Group Manager Infrastructure Services at Fortescue Metals Group Limited in February 2015. He has previously held senior positions at Fortescue Metals Group including Company Secretary, Group Manager Finance and Head of Finance & IT. Prior to Fortescue Mark held senior finance and accounting positions with the Goldfields Australia Group and with a number of professional service providers.

With more than 20 years' experience in the mining and professional services industries, Mark has gained comprehensive experience in finance and accounting, governance and risk, information technology and business administration. He has a Bachelor of Commerce from the University of Western Australia, Graduate Diploma in Applied Corporate Governance, a Master of Business Administration and is a Certified Practising Accountant and a Fellow of Governance Institute of Australia.



## OPERATIONAL STRUCTURE



**Mr Bruce Brennan – until April 2018**

**Board Committee Membership:** Audit & Risk Committee  
**Board Meeting Attendance:** 5 of 5.

Bruce Brennan was a WA 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 on an AUSAid project based in Fiji as strategic adviser to the Police Chiefs of the 14 Pacific Island Forum Countries. In 2006, he was appointed to the Fire and Emergency Services Authority (FESA) Board and chaired 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 with and understanding of working with government and was awarded the Australian Police Medal in 1998 for Services to Policing.



**Dr John Farrow – until October 2017**

**Board Committee Membership:** Finance & Growth Committee  
**Board Meeting Attendance:** 1 of 1

John Farrow has more than 30 years' experience in applied R&D related to mineral processing, especially via hydrometallurgy. He held various senior research and operational management roles at CSIRO. This involved collaboration with technical groups from over 100 Australian and international companies, as well as with a wide range of researchers in Australian and international universities. One particular technical focus was solid-liquid separation, covering flocculation, thickener technology and tailings disposal.



**Ms Wendy Malcolm – until October 2017**

**Board Committee Membership:** Finance & Growth Committee  
**Board Meeting Attendance:** 1 of 1

Wendy Malcolm joined the Royal Australian Navy in 1987 and studied at the University of New South Wales, completing a Bachelor of Science (Physics) in 1989, followed by a Masters in Commercial Law at Deakin University in 2001.

Wendy has had a diverse career in the Navy including operational service in East Timor, program management in shipbuilding, upgrade and sustainment and experience in commercial and project management in logistics, weapons upgrade and operational planning. Her most recent role saw her responsible for program management and sustainment of the Navy's ANZAC Warships based in Perth and Sydney. Her leadership and strategic approach whilst the ANZAC Systems Program Office Director delivered a complete rethink of the commercial approach to supporting and upgrading the warships resulting in significant savings and better operational availability to the Royal Australian Navy.

Wendy left the Navy having completed 28 years' service and was awarded a Conspicuous Service Medal in the Australia Day Honours List 2015. Wendy now works for the Australian Government, Department of Defence Capability Acquisition and Sustainability Group as Director General Specialist Ships.



**Dr Ian Harrison – appointed November 2017**

**Board Committee Membership:** Finance & Growth Committee  
**Board Meeting Attendance:** 4 of 4

Ian Harrison is a research scientist with over 30 years' experience managing R&D programs and projects. Until his retirement in 2017, Ian was Director of R&D for Alcoa's Global Refining system, leading a team of about 60 scientists and technicians providing R&D for the world's largest alumina refining company. Previously, Ian held positions with CSIRO and Eastman Kodak.

## OPERATIONAL STRUCTURE

Ian has held leadership positions with a range of industry and academic committees, including a Board role with the Parker Centre for Hydrometallurgy, and an Adjunct Professorship with RMIT University. He was also Chair or member of a number of industry advisory panels and Chair of the Alumina Technical Panel and AQW Inc. which are collaborative alumina industry groups.

Ian has a PhD in photoelectrochemistry and an Honours Degree in Soil Chemistry and Chemistry. In 2015 Ian was awarded the prestigious RK Murphy award for his contribution to industrial chemistry in Australia. Ian is known for his passion about the role of science in society and particularly the role of R&D and for his strategic, scientific and leadership skills.



### Ms Tresslyn Walmsley – appointed November 2017

**Board Committee Membership:** Finance & Growth Committee  
**Board Meeting Attendance:** 3 of 4

Tresslyn Walmsley is the CEO of InterGrain, a leading national wheat and barley breeding business, where she manages research and commercial relationships. She was appointed CEO in 2012 and before this was InterGrain's Commercial Manager. Tress has a high level of knowledge and understanding of Australian agriculture and established working relationship with Australian grain industry stakeholders.

Tress began her career in the small WA wheatbelt town of Three Springs working for the Department of Agriculture Western Australia as an agronomist. She then moved to managing the TOPCROP program in WA. In 1999, Tress won the Telstra Young Business Women for WA.

In 2000, Tress changed career focus, moving into intellectual property and commercialisation. Tress played a key role in the development of the National End Point Royalty system used in the grains industry across Australia. In 2015, Tress was named the WA Rural Woman of the Year. Recently, she has been active in promoting the grains industry as a career opportunity to school students and is a strong advocate for increased women's participation in the grains industry.

## Senior Officers

### Mr Peter McCafferty Chief Executive Officer

Peter McCafferty was appointed CEO in June 2017. Prior to this he was Director of the Scientific Services Division at ChemCentre after working in environmental and food and agricultural chemistry areas. Peter's previous experience includes mineral exploration geochemistry at Western Mining Corporation and then Genalysis Laboratory Services, and chemical manufacture and environmental analysis at Wesfarmers CSBP.

He is a graduate of Curtin University with both chemistry and business qualifications and a graduate member of the Australian Institute of Company Directors. Peter has held positions with state, national and international groups including the Royal Australian Chemical Institute (RACI), Australian Water Association, Water Research Foundation (USA) and the Australian Institute of Management (WA). He is a Governor of the Western Australian Marine Science Institution (WAMSI) and serves as a mentor with Water Research Australia.

In 2018 he was the recipient of The Don Montgomery Award 'for distinguished service to the WA Branch of the Australian Water Association' and was previously the recipient of the Wilf Ewers Citation by the WA Branch of the Royal Australian Chemical Institute 'for services to the profession of chemistry'.

His research interests have centred on using chemistry to solve complex problems in the areas of water, agriculture and the environment. He has more than 50 research publications, co-authored one book, and has represented ChemCentre at many state, national and international forums.

### Ms Lina Barbato Director Business and Corporate Services (appointed February 2018)

Lina joined the executive team as the Director Business and Corporate Services in February 2018. Lina brings extensive senior executive, governance and CFO experience spanning across a breadth of public sector agencies that includes undertaking major reforms over a 25-year career. Lina is also a graduate member of the Australian Institute of Company Directors and holds board memberships with a not for profit agency and a commercial entity.

## OPERATIONAL STRUCTURE

### Mr Nigel West

#### Acting Director Scientific Services Division

Nigel West has extensive experience in the public and private sectors, utilising a range of analytical chemistry techniques to solve problems for industry, government and the public.

### Mr Colin Priddis

#### Director Forensic Science Laboratory

#### Director Research and Development (appointed January 2018)

Colin Priddis has more than 30 years' experience as a forensic scientist and manager, delivering services and expert opinion to clients, including WA Police, Office of the State Coroner, and Racing and Wagering WA. He has represented and continues to represent ChemCentre on many State, National and International committees and projects.

### Mr Greg Paust

#### Acting Director Business and Corporate Services (until January 2018)

Greg Paust has extensive experience in senior executive leadership positions within the WA public service. He has expertise in leading corporate strategy and operations, policy, industry economic development and natural resource management in the fisheries and agricultural sectors.

### Dr Neil Rothnie

#### Director Research and Development (until January 2018)

Neil Rothnie spent over 35 years leading research programs aimed at ensuring the safety and prosperity of WA. He has particular interests in developing risk assessment tools that better enable industry to plan for and address risks that may impact on public health, safety and the environment, and delay the sustainable economic development of the state's industries.

### Administered Legislation

ChemCentre administers the *Chemistry Centre (WA) 2007 Act*.

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

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

- ✓ Auditor General Act 2006
- ✓ Contaminated Sites Act 2003
- ✓ Coroners Act 1996
- ✓ Customs Act 1901
- ✓ Disability Services Act 1993
- ✓ Equal Opportunity Act 1984
- ✓ Health (Miscellaneous Provisions) Act 1911
- ✓ Financial Management Act 2006
- ✓ Freedom of Information Act 1992
- ✓ Industrial Relations Act 1979
- ✓ Medicines and Poisons Act 2014
- ✓ Minimum Conditions of Employment Act 1993
- ✓ Misuse of Drugs Act 1981
- ✓ Occupational Safety and Health Act 1984
- ✓ Public Interest Disclosure Act 2003
- ✓ Public Sector Management Act 1994
- ✓ Road Traffic Act 1974
- ✓ Road Traffic Legislation Amendment Act 2016
- ✓ Salaries and Allowances Act 1975
- ✓ State Records Act 2000
- ✓ State Supply Commission Act 1991
- ✓ State Trading Concerns Act 1916
- ✓ Workers' Compensation and Rehabilitation Act 1981

## PERFORMANCE MANAGEMENT FRAMEWORK

### Outcome Based Management Framework

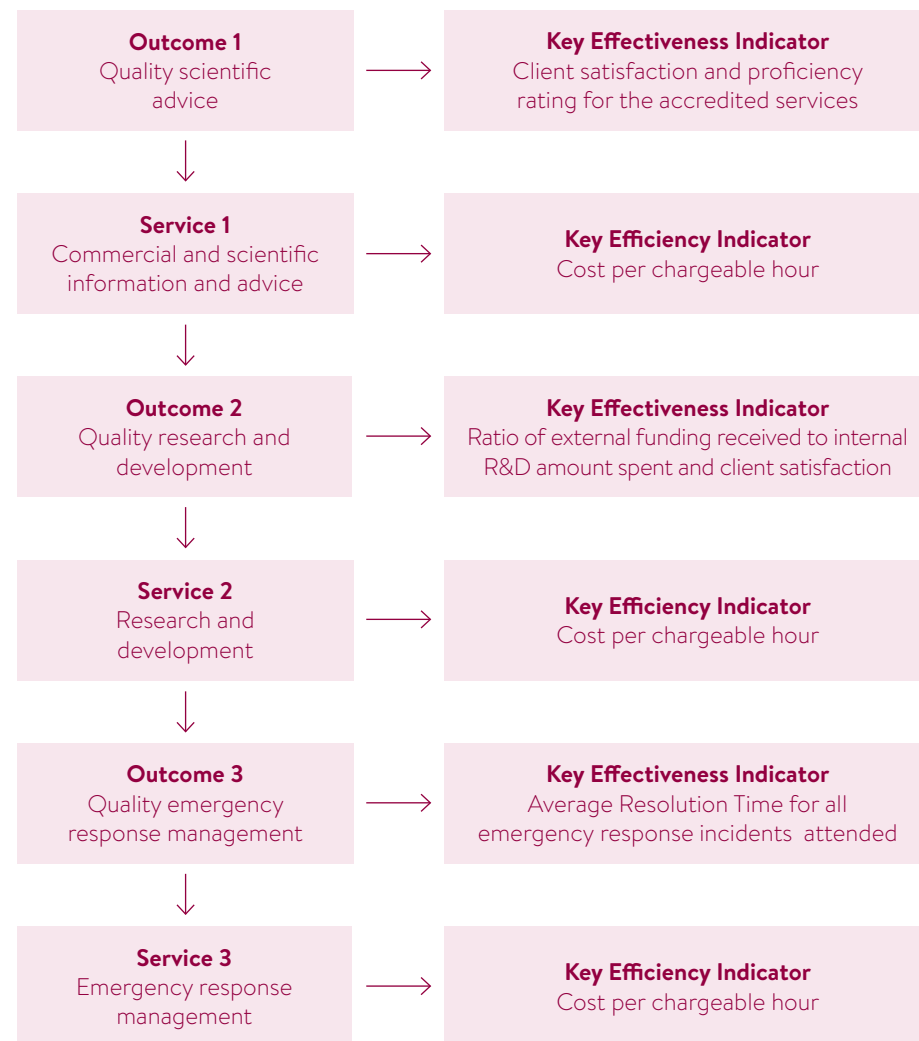
Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, contributing to the achievement of the higher level government goals. The relationship between the government goals, agency level desired outcomes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

ChemCentre's effort is divided approximately 21% to the delivery of statutory services for government and 78% to fee-for-service activities delivered to government and private sectors.

Government Goal	Desired Outcome	Services
<b>Strong Communities:</b> Safe communities and supported families	Quality scientific advice	<b>Service 1:</b> Commercial and scientific information and advice
	Quality emergency response	<b>Service 2:</b> Emergency response management
<b>Future Jobs and Skills:</b> Grow and diversify the economy, create jobs and support skills development	Quality research and development	<b>Service 3:</b> Research and development



## PERFORMANCE MANAGEMENT FRAMEWORK



### Changes to Outcome Based Management Framework

ChemCentre's outcome-based management framework did not change during 2017-18.

### Shared Responsibilities with Other Agencies

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

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

# Agency Performance – Report on Operations

ChemCentre  
EXPERT SOLUTIONS

## AGENCY PERFORMANCE – REPORT ON OPERATIONS

The results for the year ended 30 June 2018 illustrate ChemCentre's increasing commercial focus over the years since becoming a Statutory Authority in August 2007. ChemCentre continues to provide more services to state government agencies, which is reflected in an 18% increase in growth over the previous year.

### Financial Targets:

#### Actual performance compared to budget targets to 30 June 2018

The results for the twelve months to 30 June 2018 reflect a favourable variance against budget of \$1,154,000 for the net cost of services. Total income was over budget by \$2,333,000 for the 2017-18 financial year. Fee-for-service work from both the private sector and government sector were over budget reflecting an improved trading environment and the benefits created from the NMI Kensington transition.

The total cost of services increased by \$1,179,000 in response to the increase in revenue.

	Budget (\$'000) <sup>(1)</sup>	Actual (\$'000)	Variation (\$'000) <sup>(2)</sup>
Total cost of service	26,725	27,904	(1,179) (a)
Net cost of service	8,496	7,342	1,154 (b)
Total equity	7,141	8,655	1,514 (c)
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	143	863	720
Approved salary expense level	12,860	13,441	(581) (d)

- As specified in the Budget Statements.
- Further explanations are contained in Note 9.10 "Explanatory statement" to the financial statements.
  - The variation is mainly due to additional expense incurred to earn higher than budget fee for service revenue.

- The variation was mainly due to fee for service revenue and other revenue were \$2,663,000 higher than budget.
- The variation is mainly due to additional \$800,000 capital appropriation received during the year to acquire critical scientific equipment and loss being less than budget.
- The variation arose because of the update of Treasury cost and demand model and unbudgeted VTSS cost of \$214,000.

### Summary of Key Performance Indicators:

#### Actual performance compared to budget targets

Key Effectiveness Indicators	Target	Achieved
<b>Service 1:</b> Client satisfaction	80%	88%
<b>Service 1:</b> Proficiency rating	95%	88%
<b>Service 2:</b> Aggregate value of ChemCentre components as a ratio of R&D sold to internal R&D	60/40	40/60
<b>Service 2:</b> Client satisfaction	80%	83%
<b>Service 3:</b> Emergency response resolution time	4 hours	1.8 hours
Key Efficiency Indicators		
<b>Service 1:</b> Average cost/hour	\$186	\$214
<b>Service 2:</b> Average cost/hour	\$241	\$267
<b>Service 3:</b> Average cost/hour	\$385	\$296

Performance information relating to the services provided is presented at pages 79 to 83 of this report.

Service 1: Scientific information and Advice

Service 2: Research and development

Service 3: Emergency response

Contents	Statement of Compliance	Overview	Executive Summary	Operational Structure	Performance Management Framework	Agency Performance – Report On Operations
Auditor's Opinion	Financial Statements	Key Performance Indicators	Other Financial Disclosures	Governance Disclosures	Other Legal Requirements	Publications and Presentations

## AGENCY PERFORMANCE – REPORT ON OPERATIONS

### Significant issues affecting the agency

ChemCentre operates as a statutory authority under the *Chemistry Centre (WA) Act 2007* and plays key roles in matters of forensic science, public and environmental health, safety and security. We contribute to scientific education, outreach and knowledge through our work with universities, other educators, media (traditional and new) and community organisations. Through our commercial business, we provide services to government and industry. Our work encompasses all the major industries in WA, including agriculture and mining, oil and gas and provides essential chemical information and services in policing, justice, public health and safety, and environmental protection.

We operate in the unusual position whereby our mandated role as a key Governmental advisor is supported by fee-for-service work. ChemCentre offsets the cost to government of delivering on its statutory obligations by earning revenue from industry.

Consistent with the Premier's Circular 2016-01, ChemCentre continues to encourage all Western Australian government departments to use our services where applicable, as additional revenue defrays the cost of ChemCentre delivering its statutory responsibilities. Our activities in Research and Development (R&D) drive our business into the future and provide the methodologies and science that facilitates beneficial outcomes for the State. Our R&D portfolio includes collaborations with government and industry that seek to ensure a safe, sustainable and prosperous future for all Western Australians.

ChemCentre is actively pursuing efficiencies across all areas of the business. Changes to the Road Traffic Act in 2016, have meant an increase in the number of samples required to be held in secure storage, with ChemCentre increasing its capacity to accommodate this.

ChemCentre has been an active participant in the government's review of the State's scientific assets across multiple agencies. The organisation is also working towards transitioning its ICT infrastructure in line with whole-of-government ICT reforms (GovNext – ICT) and we look forward to the outcomes of ChemCentre's five-yearly legislative review.

Together with the recent renewal of ChemCentre's Board and finalisation of senior level appointments we look forward to progressing with our business objectives.

Progress on these strategic issues will enable us to continue to operate at the high levels of performance our government and private sector clients and other stakeholders have come to expect.

### Changes in Written Law

There were no changes in Written Law impacting upon ChemCentre in the 2017-18 period.



## AUDITOR'S OPINION



Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

CHEMISTRY CENTRE (WA)

#### Report on the Financial Statements

##### Opinion

I have audited the financial statements of the Chemistry Centre (WA) which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Chemistry Centre (WA) for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

##### Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Centre in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Responsibility of the Board 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, the *Financial Management Act 2006* 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.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Centre.

##### Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Page 1 of 4

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As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### Report on Controls

##### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Chemistry Centre (WA). The controls exercised by the Centre are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Chemistry Centre (WA) are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

##### The Board's Responsibilities

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

##### Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed.

Page 2 of 4

## AUDITOR'S OPINION

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

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

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

### Limitations of Controls

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

### Report on the Key Performance Indicators

#### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Chemistry Centre (WA) for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, 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 2018.

### The Board's Responsibility for the Key Performance Indicators

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

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

### Auditor General's Responsibility

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

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

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

### My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

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

### Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Chemistry Centre (WA) for the year ended 30 June 2018 included on the Centre's website. The Centre's management is responsible for the integrity of the Centre's website. This audit does not provide assurance on the integrity of the Centre's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
30 August 2018

# Financial Statements

## Certification of Financial Statements

### For the reporting period ended 30 June 2018

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 reporting period ended 30 June 2018 and the financial position as at 30 June 2018.

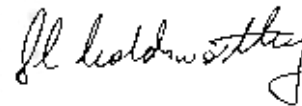
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



**Li Chen**  
A/Chief Finance Officer  
29 August 2018



**Peter McCafferty**  
Chief Executive Officer  
29 August 2018



**Denise Goldsworthy**  
Chair  
ChemCentre Board  
Member of Governing Board  
29 August 2018



**David Blyth**  
Chair  
Finance and Growth Committee  
Member of Governing Board  
29 August 2018

## FINANCIAL STATEMENTS

### Statement of Comprehensive Income For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Provision of services	4.2	19,832	17,832
Interest revenue	4.3	57	55
Other revenue	4.4	673	12
<b>Total income</b>		20,562	17,899
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	3.1(a)	14,847	13,748
Supplies and services	3.2	1,794	1,514
Depreciation and amortisation expense	5.1,5.2	1,417	1,253
Accommodation expenses	3.2	5,682	5,711
Other expenditures	3.2	4,164	3,579
<b>Total cost of services</b>		27,904	25,805
Loss before income from State Government		(7,342)	(7,906)
Service appropriation	4.1	6,662	7,377
(Loss)/profit before income tax expense		(680)	(529)
Income tax expense	9.11	78	(45)
(Loss)/profit after income tax expense		(602)	(574)
<b>Profit/(loss) for the period</b>		(602)	(574)
<b>Total comprehensive income for the period</b>		(602)	(574)

See also note 2.2 'Schedule of Income and Expense by Service'.

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



## FINANCIAL STATEMENTS

### Statement of Financial Position As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7.1	2,786	1,903
Prepayments	6.3	259	331
Receivables	6.1	2,519	2,655
Amounts receivable for services	6.2	0	560
<b>Total current assets</b>		<b>5,564</b>	<b>5,449</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	4,714	3,863
Intangible assets	5.2	459	607
Sinking fund	6.3	2,379	2,170
Deferred tax asset	9.11	1,098	1,020
<b>Total non-current assets</b>		<b>8,650</b>	<b>7,660</b>
<b>TOTAL ASSETS</b>		<b>14,214</b>	<b>13,109</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	6.4	1,045	1,271
Provisions	3.1(b)	2,450	2,464
Other current liabilities	6.5	903	915
Current tax liabilities	9.11( c)	0	0
<b>Total current liabilities</b>		<b>4,398</b>	<b>4,650</b>

## FINANCIAL STATEMENTS

### Statement of Financial Position As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Non-current liabilities</b>			
Provisions	3.1(b)	1,083	864
Deferred tax liability	9.11(d)	0	0
<b>Total non-current liabilities</b>		1,083	864
<b>TOTAL LIABILITIES</b>		5,481	5,514
<b>NET ASSETS</b>		8,733	7,595
<b>EQUITY</b>			
Contributed equity	9.8	11,026	9,286
Accumulated surplus/(deficit)		(2,293)	(1,691)
<b>TOTAL EQUITY</b>		8,733	7,595

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 2018

	Note	Contributed Equity \$'000	Accumulated Surplus/(deficit) \$'000	Total Equity \$'000
<b>Balance at 1 July 2016</b>		<b>7,438</b>	<b>(1,117)</b>	<b>6,321</b>
Total comprehensive income for the year			(574)	<b>(574)</b>
Transactions with owners in their capacity as owners:				
Capital appropriation		1,848	-	<b>1,848</b>
<b>Total</b>		<b>1,848</b>	<b>(574)</b>	<b>1,274</b>
<b>Balance at 30 June 2017</b>		<b>9,286</b>	<b>(1,691)</b>	<b>7,595</b>
<b>Balance at 1 July 2017</b>	9.8	<b>9,286</b>	<b>(1,691)</b>	<b>7,595</b>
Total comprehensive income for the year			(602)	<b>(602)</b>
Transactions with owners in their capacity as owners:				
Capital appropriation		1,740	-	<b>1,740</b>
<b>Total</b>		<b>1,740</b>	<b>(602)</b>	<b>1,138</b>
<b>Balance at 30 June 2018</b>	9.8	<b>11,026</b>	<b>(2,293)</b>	<b>8,733</b>

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

## FINANCIAL STATEMENTS

### Statement of Cash Flows For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service and capital appropriations		8,962	9,225
<b>Net cash provided by State Government</b>		8,962	9,225
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Provision of services		20,629	17,391
GST receipts on services		2,063	1,739
<b>Payments</b>			
Employee benefits		(14,596)	(13,781)
Accommodation		(5,834)	(5,661)
GST payments on purchases		(1,199)	(1,084)
GST payments to taxation authority		(825)	(624)
Other payments		(5,908)	(5,181)
<b>Net cash (used in) operating activities</b>	7.1.2	(5,670)	(7,201)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(2,409)	(1,988)
<b>Net cash (used) in investing activities</b>		(2,409)	(1,988)
Net increase/(decrease) in cash and cash equivalents		883	36
Cash and cash equivalents at the beginning of period		1,903	1,867
<b>CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD</b>		2,786	1,903

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



Contents	Statement of Compliance	Overview	Executive Summary	Operational Structure	Performance Management Framework	Agency Performance – Report On Operations
Auditor's Opinion	Financial Statements	Key Performance Indicators	Other Financial Disclosures	Governance Disclosures	Other Legal Requirements	Publications and Presentations

## FINANCIAL STATEMENTS

### Notes to the financial statements For the year ended 30 June 2018

#### 1. Basic of preparation

ChemCentre is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. ChemCentre is a not-for-profit commercial organisation.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the agency on 29 August 2018.

#### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006*
- 2) The Treasurer's Instructions
- 3) Australian Accounting Standards (AAS) including applicable interpretations.
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect area disclosed in the notes to the financial statements.

#### Basic of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. All values are rounded to the nearest thousand dollars (\$'000).

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

#### Judgements and estimates

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

#### Contributed equity

Australian Accounting Standard board (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.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designed as contributions by owners where the transfers are non-discretionary and non-reciprocal. Refer to Note 9.8 'Equity'.

## FINANCIAL STATEMENTS

### 2. Agency Outputs

#### How the Agency Operates

This section includes information regarding the nature of funding the agency receives and how this funding is utilised to achieve the agency's objectives. This note also provides the distinction between controlled funding and administered funding:

	Note
Agency objectives	2.1
Schedule of Income and Expenses by Service	2.2

#### 2.1 Agency objectives

##### Mission

To provide chemical and forensic science services for a safe and prosperous Western Australia.

##### Services

ChemCentre provides the following services:

Service 1: Quality scientific advice

Service 2: Quality research and development

Service 3: Quality emergency response

## FINANCIAL STATEMENTS

### 2.2 Schedule of income and expenses by service

	Service 1 Scientific Information and Advice	Service 1 Scientific Information and Advice	Service 2 Research and development	Service 2 Research and development	Service 3 Emergency Response Management	Service 3 Emergency Response Management	Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES EXPENSES</b>								
Employee benefits expense	11,371	10,391	1,571	1,210	1,905	2,147	14,847	13,748
Supplies and services	1,794	1,514	-	-	-	-	1,794	1,514
Depreciation and amortisation expense	1,417	1,253	-	-	-	-	1,417	1,253
Accommodation expenses	5,682	5,711	-	-	-	-	5,682	5,711
Other expenses	3,405	2,975	527	405	232	199	4,164	3,579
<b>Total cost of services</b>	<b>23,669</b>	<b>21,844</b>	<b>2,098</b>	<b>1,615</b>	<b>2,137</b>	<b>2,346</b>	<b>27,904</b>	<b>25,805</b>
<b>Income</b>								
Provision of services	15,597	13,871	2,098	1,615	2,137	2,346	19,832	17,832
Interest revenue	57	55	-	-	-	-	57	55
Other income	673	12	-	-	-	-	673	12
<b>Total income rather than income from State Government</b>	<b>16,327</b>	<b>13,938</b>	<b>2,098</b>	<b>1,615</b>	<b>2,137</b>	<b>2,346</b>	<b>20,562</b>	<b>17,899</b>
<b>NET COST OF SERVICES</b>	<b>(7,342)</b>	<b>(7,906)</b>					<b>(7,342)</b>	<b>(7,906)</b>
<b>INCOME FROM STATE GOVERNMENT</b>								
Net appropriation from State Government	6,662	7,377	-	-	-	-	6,662	7,377
<b>Total income from State Government</b>	<b>6,662</b>	<b>7,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,662</b>	<b>7,377</b>
Profit/(loss) before income tax equivalents expense	(680)	(529)	-	-	-	-	(680)	(529)
Income tax equivalent benefit/(expense)	78	(45)	-	-	-	-	78	(45)
<b>Profit/(loss) for the period</b>	<b>(602)</b>	<b>(574)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(602)</b>	<b>(574)</b>

## FINANCIAL STATEMENTS

### 3. Use of our funding

#### Expenses incurred in the delivery of services

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

#### 3.1 (a) Employee benefits expenses

	2018	2017
	\$'000	\$'000
3.1. Employee benefits expense		
Wages and salaries	11,861	10,840
Superannuation – defined contribution plans <sup>(a)</sup>	1,304	1,332
Long service leave	623	475
Annual Leave <sup>(b)</sup>	1,059	1,101
	14,847	13,748

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

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries, fringe benefit tax, leave entitlements and Workcover premiums.

**Termination benefits:** Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when ChemCentre is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS is a defined benefit scheme for the purpose of employees and whole-of-government reporting. It is however a defined contribution plan for ChemCentre purposes because the concurrent contributions (defined contributions) made by ChemCentre to GESB extinguishes ChemCentre's obligations to the related superannuation liability.

ChemCentre does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by ChemCentre to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australian in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.



## FINANCIAL STATEMENTS

### 3.1 (b) Employee benefits provisions

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

	2018 \$'000	2017 \$'000
<b>Current</b>		
Employee benefits provisions		
Annual leave <sup>(a) (c)</sup>	1,092	1,099
Long service leave <sup>(b) (c)</sup>	1,230	1,233
	2,322	2,332
<b>Other provisions</b>		
Employment on-costs <sup>(c)</sup>	128	132
Total current employee related provisions	2,450	2,464
<b>Non-current</b>		
Employee benefit provisions		
Long service leave <sup>(b) (c)</sup>	1,026	818
<b>Other provisions</b>		
Employment on-costs <sup>(c)</sup>	57	46
Total non-current employee related provisions	1,083	864
Total employee related provisions	3,533	3,328

## FINANCIAL STATEMENTS

	2018 \$'000	2017 \$'000
a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	876	710
More than 12 months after the end of the reporting period	216	389
	1,092	1,099
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 is expected to occur as follows:		
Within 12 months of the end of the reporting period	628	364
More than 12 months after the end of the reporting period	1,628	1,687
	2,256	2,051
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. Employment on-costs, including worker's compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they related has occurred. The related liability is included in 'Employment on-costs provision'.		

## FINANCIAL STATEMENTS

### 3.2 Other expenditures

	2018	2017
	\$'000	\$'000
<b>Supplies and services</b>		
Communications	24	9
Consumables	1,692	1,422
Materials	3	10
Travel	75	73
	1,794	1,514
<b>Accommodation expenses</b>		
Property rent	4,338	4,365
Property outgoings	689	631
Repairs and maintenance	98	149
Utilities	557	566
	5,682	5,711
<b>Other expenses</b>		
Equipment repairs and maintenance	910	869
IT & network maintenance	135	124
Laboratory & Department of Mines and Petroleum Services	538	436
Postage, printing and stationery	182	198
Payments to cooperative research centres	320	125
Motor vehicle	50	46
Bad & doubtful debts	3	(5)
Payroll tax	804	762
Consultant fees	501	412
Staff training and miscellaneous staff expenses	104	6
Other minor expenses	617	606
	4,164	3,579

## FINANCIAL STATEMENTS

### Supplies and services

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

### Accommodation expenses

Operating lease payments are recognised on a straight -line basis over the lease term.

Repairs and maintenance costs are recognised as expense as incurred. Utilities expenses are recognised as expense as incurred.

### Other expenditures

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

Doubtful debt expense is recognised as the movement in the provision for doubtful expense. Please refer to note 6.1.1 Movement of the allowance for impairment of receivables.

### 4. Other funding sources

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

	Note	2018 \$'000	2017 \$'000
Income from State Government	4.1	6,662	7,377
Provision of services	4.2	19,832	17,832
Interest revenue	4.3	57	55
Other revenue	4.4	673	12
<b>4.1 Income from State Government</b>			
Service appropriation received during the period <sup>(a)(b)</sup>			
Salaries and Allowance Act 1975		251	251
Community Service Obligations (CSO)		5,588	4,962
Rent and Others		823	2,164
<b>Total income from Government</b>		<b>6,662</b>	<b>7,377</b>

- 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.



## FINANCIAL STATEMENTS

- 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.

### 4.2 Revenue from provision of service

	2018	2017
	\$'000	\$'000
Private Sector	7,458	5,742
State Government Sector	12,374	12,090
ChemCentre invoices clients on a fee for service basis for work performed. The clients are organisations in the private sector and Western Australian government agencies.	19,832	17,832

### 4.3 Interest revenue

Interest revenue	57	55
	57	55

### 4.4 Other revenue

Rent reimbursement	664	0
Salary Packaging recoveries	9	12
	673	12

- a) It relates to the once-off refund for rental charges following a resolution of the final construction cost of the premises involving the landlord Curtin University and the builder.

## FINANCIAL STATEMENTS

### 5. Key Assets

#### Assets ChemCentre utilised for economic benefit or service potential

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

	Notes	2018 \$'000	2017 \$'000
Infrastructure, property, plant and equipment	5.1	4,714	3,863
Intangibles	5.2	459	607
<b>Total key assets</b>		<b>5,173</b>	<b>4,470</b>

#### 5.1 Infrastructure, property, plant and equipment

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

	Plant & scientific equipment \$'000	Office equipment \$'000	Total \$'000
<b>2017</b>			
Carrying amount 1 July 2016	2,582	89	2,671
Additions	1,824	275	2,099
Disposals	(2)	0	(2)
Depreciation	(816)	(89)	(905)
Carrying amount at end of year	3,588	275	3,863
<b>2018</b>			
Carrying amount 1 July 2017	3,588	275	3,863
Additions	1,786	141	1,927
Disposals	(1)	0	(1)
Depreciation	(965)	(110)	(1,075)
Carrying amount at end of year	4,408	306	4,714

## FINANCIAL STATEMENTS

### Capitalisation/expensing of assets

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

### 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, if any.

### 5.1.1 Depreciation and impairment

	2018	2017
	\$'000	\$'000
Plant, equipment and vehicles	965	816
Office equipment	110	89
<b>Total depreciation for the period</b>	<b>1,075</b>	<b>905</b>

### Finite useful lives

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

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

Plant & scientific equipment	7-10 years
Office equipment	5 years

### Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting year. 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 in profit or loss. 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.

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 reporting date.

## FINANCIAL STATEMENTS

### 5.2 Intangible assets

Laboratory Information Management System software development

	2018	2017
	\$'000	\$'000
At cost	3,281	3,087
Accumulated amortisation	(2,822)	(2,480)
<b>Carrying amount at end of year</b>	<b>459</b>	<b>607</b>
Reconciliation		
Computer software		
Opening carrying amount	607	778
Additions	194	177
Disposals	0	0
Amortisation expense	(342)	(348)
<b>Carrying amount at end of year</b>	<b>459</b>	<b>607</b>

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 Statement of Comprehensive Income.

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

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

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

Software<sup>(a)</sup> 5 years

(a) Software 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.

#### 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.

#### 5.2.1 Amortisation and impairment charge for the period

	2018	2017
	\$'000	\$'000
Software	342	348
<b>Total depreciation and amortisation</b>	<b>342</b>	<b>348</b>

#### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.



## FINANCIAL STATEMENTS

### 6. Other assets and liabilities

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

	Notes	2018 \$'000	2017 \$'000
Receivables	6.1	2,519	2,655
Amounts receivable for services	6.2	0	560
Other assets	6.3	3,658	3,521
Payables	6.4	1,045	1,271
Other liabilities	6.5	903	915
<b>6.1 Receivables</b>			
<b>Current</b>			
Receivables trading		2,081	2,515
Allowance for impairment of receivables		(9)	(13)
Receivables sundry		288	16
GST income tax credits		159	137
<b>Total current</b>		<b>2,519</b>	<b>2,655</b>

ChemCentre does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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### 6.1.1 Movement of the allowance for impairment of receivables

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period

Amounts written off during the year

Amount recovered during the period

Balance at end of period

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectable are write-off against the allowance account. The allowance for uncollectable amounts (doubtful debts) is raised when there is objective evidence that ChemCentre will not be able to collect the debts.

2018	2017
\$'000	\$'000
(13)	(20)
8	2
(4)	5
(9)	(13)
0	560
259	331
259	331
2,379	2,170
1,098	1,020
3,477	3,190

### 6.2 Amounts receivable for services

#### Current

Amounts receivable for services 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.

### 6.3 Other assets

#### Current

Prepayment

#### Non-current

Sinking fund (Amount held by Curtin for future building and repairs and maintenance)

Deferred tax asset

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## FINANCIAL STATEMENTS

	2018	2017
	\$'000	\$'000
<b>6.4 Payables</b>		
<b>Current</b>		
Trade payables	383	657
GST payable	172	180
Accrued expenses	422	418
Accrued superannuation	68	16
	1,045	1,271
<b>6.5 Other liabilities</b>		
<b>Current</b>		
Revenue received in advance	903	915
	903	915

	Notes	2018	2017
		\$'000	\$'000
<b>7. Financing</b>			
<b>7.1 Cash and cash equivalents</b>			
<b>7.1.1 Reconciliation of cash</b>			
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		2,785	1,902
Cash on hand		1	1
		2,786	1,903

## FINANCIAL STATEMENTS

### 7.2.1 Reconciliation of net cost of service to net cash flow provided by/(used in) operating activities

	Notes	2018 \$'000	2017 \$'000
<b>Profit/(loss) after income tax equivalents</b>		(602)	(574)
<b>Non-cash items:</b>			
Depreciation and amortisation expense	5.1	1,417	1,253
Provision for doubtful debts	3.3	(4)	(7)
Deferred tax asset	9.11	(78)	46
Deferred tax liability		0	(1)
Loss on disposal of assets	3.3	1	2
Grants and subsidies from Government	4.1	(6,662)	(7,377)
Amounts credited to provision for income tax equivalents		-	-
<b>(Increase)/decrease in assets:</b>			
Current receivables		140	(537)
Sinking funds		(209)	(311)
Accrued salaries suspended account		0	0
Amounts receivable for services and prepayments		72	41
<b>Increase/(decrease) in liabilities:</b>			
Current payables		58	133
Accrued expenses		4	146
Employee benefits		205	(106)
Revenue in advance		(12)	91
Provision for tax		0	0
Net GST receipts/(payments)		(825)	(624)
Change in GST in receivables/payables		825	624
<b>Net cash (used in) operating activities</b>		<b>(5,670)</b>	<b>(7,201)</b>



## FINANCIAL STATEMENTS

### 7.2 Commitments

Notes	2018 \$'000	2017 \$'000
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	5,167	5,151
Later than 1 year and not later than 5 years	20,620	20,566
Later than 5 years	31,765	36,897
	57,553	62,614

Included in non-cancellable operating leases are rent payments to Curtin for 11 years and 68 days, being the remaining term of the Lease. This amounts to \$48.8 million for rent and management fee and \$8.7 million for outgoings.

## 8. Risks and Contingencies

This note sets out the key risk management policies.

### 8.1 Financial risk management

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

### (a) Summary of risks and risk management

#### 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 6.1 '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

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect ChemCentre's income or the value of its holdings of financial instruments. ChemCentre does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). Hence, ChemCentre has no exposure to market risk.

## FINANCIAL STATEMENTS

### (b) Categories of financial instruments

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

#### Financial assets

Cash and cash equivalents

Sinking fund and receivables <sup>(a)</sup>

#### Total financial assets

#### Financial liabilities

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

#### Total financial liabilities

	2018	2017
	\$'000	\$'000
Cash and cash equivalents	2,786	1,903
Sinking fund and receivables <sup>(a)</sup>	4,748	4,701
<b>Total financial assets</b>	<b>7,534</b>	<b>6,604</b>
Financial liabilities measured at amortised cost <sup>(b)</sup>	873	1,091
<b>Total financial liabilities</b>	<b>873</b>	<b>1,091</b>

a) Total amount of receivables excludes GST recoverable from the ATO.

b) Total amount of financial liabilities excludes GST payable to the ATO.

### (c) Ageing analysis of financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>								
Cash and cash equivalents	2,786	2,786						
Sinking fund and receivables <sup>(a)</sup>	4,748	1,953	232	9	138	-	2,379	37
	<b>7,534</b>	<b>4,739</b>	<b>232</b>	<b>9</b>	<b>138</b>	<b>-</b>	<b>-</b>	<b>37</b>
<b>2017</b>								
Cash and cash equivalents	1,903	1,903	-	-	-	-	-	-
Receivables	4,701	2,118	115	25	-	260	2,170	33 <sup>(b)</sup>
	<b>6,604</b>	<b>4,021</b>	<b>115</b>	<b>25</b>	<b>-</b>	<b>260</b>	<b>2,170</b>	<b>33</b>

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

b) A particular debtor has filed for bankruptcy and it is expected that none of the amount owing will be recovered. The carrying amount of the receivable before deducting the impairment loss was \$2,240.

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### (d) Liquidity Risk and Interest Rate Exposure

The following table details the agency's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

#### Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Nominal amount	Maturity dates				
			Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>											
<b>Financial assets</b>											
Cash and cash equivalents	-	2,786	-	-	2,786	2,786	2,786	-	-	-	-
Receivables <sup>(a)</sup>	-	2,369	-	-	2,369	2,369	2,369	-	-	-	-
Sinking fund		2,379	-	2,379	-	2,379	-	-	-	-	2,379
		<b>7,534</b>	<b>-</b>	<b>2,379</b>	<b>5,155</b>	<b>7,534</b>	<b>5,155</b>				<b>2,379</b>
<b>Financial liabilities</b>											
Payables <sup>(a)</sup>	-	873	-	-	873	873	873	-	-	-	-
		<b>873</b>	<b>-</b>	<b>-</b>	<b>873</b>	<b>873</b>	<b>873</b>				
<b>2017</b>											
<b>Financial assets</b>											
Cash and cash equivalents	-	1,903	-	-	1,903	1,903	1,903	-	-	-	-
Receivables <sup>(a)</sup>	-	2,531	-	-	2,531	2,531	2,531	-	-	-	-
Sinking funds	-	2,170	-	2,170	-	2,170	-	-	-	-	2,170
		<b>6,604</b>	<b>-</b>	<b>2,170</b>	<b>4,434</b>	<b>6,604</b>	<b>4,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,170</b>
<b>Financial liabilities</b>											
Payables	-	1,091	-	-	1,091	1,091	1,091	-	-	-	-
		<b>1,091</b>	<b>-</b>	<b>-</b>	<b>1,091</b>	<b>1,091</b>	<b>1,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## FINANCIAL STATEMENTS

### (e) Interest rate sensitivity analysis

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

	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
<b>2018</b>					
Financial assets					
Sinking fund	2,379	(24)	(24)	24	24
<b>Total increase/(decrease)</b>		(24)	(24)	24	24
<b>2017</b>					
Financial assets					
Sinking fund	2,170	(22)	(22)	22	22
<b>Total increase/(decrease)</b>		(22)	(22)	22	22

### 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

ChemCentre does not have contingent assets and liabilities.

### 9. Other disclosures

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

	Notes
Future impact of Australian standards issued not yet operative	9.1
Key management personnel	9.2
Related party transactions	9.3
Related bodies	9.4
Affiliated bodies	9.5
Special purpose accounts	9.6
Remuneration of auditors	9.7
Equity	9.8
Supplementary financial information	9.9
Explanatory statement	9.10
Tax equivalent	9.11

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### 9.1 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'. Consequently, ChemCentre has not applied any of the new Australian Accounting Standards. Where applicable, ChemCentre plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. ChemCentre has not yet to determined the application of the potential impact of the standard.	
AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
	This Standard establishes the principles that the agency shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019. ChemCentre has not yet determined the application or the potential impact of the Standard.	

		Operative for reporting periods beginning on/after
AASB 16	<i>Leases</i>	1 Jan 2019
	This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.	
	Whilst the impact of AASB 16 has not yet been quantified, ChemCentre currently has commitments for \$57.553 million worth of non-cancellable operating leases which will mostly be brought onto the Statement of Financial Position. Interest and amortisation expense will increase and rental expenses will decrease.	
AASB 1058	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
	This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by ChemCentre. ChemCentre anticipates that the application will not materially impact appropriations.	



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		Operative for reporting periods beginning on/after			Operative for reporting periods beginning on/after
AASB 1059	<p><i>Service Concession Arrangements: Grantors</i></p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. ChemCentre has not identified any public private partnerships within this scope of the Standard.</p>	1 Jan 2019	AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the ChemCentre was not permitted to early adopt AASB 9.</p> <p>This Standard features a single lease accounting model for lessees with a host of different transition options and practical expedients. ChemCentre has not yet assessed the impact of the various transition options to determine the option that best suits its objectives. The mandatory application date of this Standard is 1 January 2019.</p>	1 Jan 2018
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, ChemCentre is not significantly impacted by the application of the Standard.</p>	1 Jan 2018	AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 20158 to 1 January 2018. ChemCentre has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

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		Operative for reporting periods beginning on/after			Operative for reporting periods beginning on/after
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	1 Jan 2018	AASB 2016-7	<i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 Jan 2018
	This Standard gives effect to the consequential amendments to Australian Accounting Standards arising from the issuance of AASB 9. ChemCentre has not yet determined the application or the potential impact of the Standard.			This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2018	AASB 2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019
	This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.			This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018			
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. ChemCentre has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.				

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### 9.2 Key Management Personnel

ChemCentre has determined key management personnel to include cabinet ministers, board members, and senior officers of the agency. ChemCentre does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

*The total fees, salaries, superannuation, non-monetary benefits and other benefits for Board of Directors of the agency for the reporting period are presented within the following bands:*

Compensation band (\$)	2018	2017
1 – 10,000	4	-
10,001 – 20,000	3	5
20,001 – 30,000	1	1
30,001 – 40,000	1	1
	\$142,968	\$148,137

	2018	2017
	\$'000	\$'000
Short-term employee benefits	131	135
Post-employment benefits	12	13
Other long-term benefits		
Termination benefits		
<b>Total compensation of members of the accountable authority</b>	<b>143</b>	<b>148</b>

*The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the agency for the reporting period are presented within the following bands:*

Compensation band (\$)	2018	2017
50,001 – 60,000 <sup>(a)</sup>	1	-
60,001 – 70,000	-	-
70,001 – 80,000	-	-
80,001 – 90,000	-	-
90,001 – 100,000	-	-
100,001 – 110,000	-	-
110,001 – 120,000	-	-
120,001 – 130,000 <sup>(b)</sup>	1	-
130,001 – 140,000	-	-
140,001 – 150,000	-	-
150,001 – 160,000	-	-
160,001 – 170,000	-	-
170,001 – 180,000	-	-
180,001 – 190,000	-	1
190,001 – 200,000	1	1
200,001 – 210,000	1	2
210,001 – 220,000	-	-
220,001 – 230,000	-	-
230,001 – 240,000	1	-
240,001 – 250,000	-	1
330,001 – 340,000 <sup>(c)</sup>	1	-

	2018	2017
	\$'000	\$'000
Short-term employee benefits	975	1,066
Post-employment benefits	101	118
Other long-term benefits	(135)	(44)
Termination benefits	210	-
<b>Total compensation of senior officers</b>	<b>1,151</b>	<b>1,040</b>

## FINANCIAL STATEMENTS

Total compensation includes the superannuation expense incurred by the agency in respect of senior officers. 2018 figures include Voluntary Targeted Separation Scheme (VTSS).

- a) New starter during the year
- b) Retirement of one key management personnel during the year.
- c) It is related to the voluntary separation payment made to one key management personnel.

### 9.3 Related party transactions

ChemCentre is a wholly owned public-sector entity that is controlled by of the State of Western Australia.

Related parties of the agency include:

- ✓ all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- ✓ all senior officers and their close family members, and their controlled or jointly controlled entities;
- ✓ other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly owned public sector entities); and
- ✓ the Government Employees Superannuation Board (GESB).

### Significant transactions with Government-related entities

In conducting its activities, the agency is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- ✓ income from State Government (Note 4.1);
- ✓ equity contributions (Note 9.8);
- ✓ superannuation payments to GESB (Note 3.1(a));

- ✓ lease rentals payments to the Department of Finance (Government Office Accommodation and State Fleet)
- ✓ insurance payments to the Insurance Commission and Risk Cover fund;
- ✓ remuneration for services provided by the Auditor General (Note 9.7).

### Material transactions with other related parties

Outside of normal citizen type transactions with the agency, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 9.4 Related bodies

There are no related bodies.

### 9.5 Affiliated bodies

There are no affiliated bodies.

### 9.6 Special purpose accounts

There are no special purpose accounts.

### 9.7 Remuneration of auditors

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

	2018 \$'000	2017 \$'000
Auditing the accounts, financial statements, controls, and key performance indicators	48	48

## FINANCIAL STATEMENTS

### 9.8 Equity

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

	2018 \$'000	2017 \$'000
<b>Contributed equity</b>		
Balance at the start of the year	9,286	7,438
Contributions by owners		
Equity contribution	1,740	1,848
<b>Total contributions by owners</b>	<b>11,026</b>	<b>1,848</b>
Distributions to owners	0	0
<b>Total distributions to owners</b>	<b>-</b>	<b>0</b>
<b>Balance at end of year</b>	<b>11,026</b>	<b>9,286</b>
<b>Retained earnings</b>		
Balance at start of year	(1,691)	(1,117)
Result for the year	(602)	(574)
<b>Balance at end of year</b>	<b>(2,293)</b>	<b>(1,691)</b>
<b>Total equity at end of year</b>	<b>8,733</b>	<b>7,595</b>

### 9.9 Supplementary financial information

#### (a) Write-offs

During the financial year, nil was written off the agency's asset register under the authority of:

	2018 \$'000	2017 \$'000
The accountable authority	-	-
The Minister	-	-
	-	-

#### (b) Losses through theft, defaults and other causes

	2018 \$'000	2017 \$'000
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

#### (c) Gifts of public property

	2018 \$'000	2017 \$'000
Gifts of public property provided by the agency	-	-
	-	-

### 9.10 Explanatory statement

All variance between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are shown on the following page.

Narratives are provided for selected major variances which are generally greater than 5% and \$516,000 for the Statement of Comprehensive Income and Cash flows, and 5% and \$262,000 for the Statement of Financial Position.



## FINANCIAL STATEMENTS

### Statement of Comprehensive Income Variances For the year ended 30 June 2018

	Variance Note	Original Budget 2018	Actual 2018	Actual 2017	Variance between budget and actual	Variance between actual results for 2018 and 2017
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>						
<b>Revenue</b>						
Provision of services	1,a	18,196	19,832	17,832	1,636	2,000
Interest revenue		33	57	55	24	2
Other revenue	2,b	0	673	12	673	661
<b>Total income</b>		18,229	20,562	17,899	2,333	2,663
<b>EXPENSES</b>						
<b>Expenses</b>						
Employee benefits expense	c	14,769	14,847	13,748	78	1,099
Supplies and services		2,227	1,794	1,514	(433)	280
Depreciation and amortisation expense		1,302	1,417	1,253	115	164
Accommodation expenses		5,749	5,682	5,711	(67)	(29)
Other expenses	3,d	2,678	4,164	3,579	1,486	585
<b>Total expenses</b>		26,725	27,904	25,805	1,179	2,099
Loss before grants and subsidies from State Government		(8,496)	(7,342)	(7,906)	1,154	564
Service appropriation	4,e	7,194	6,662	7,377	(532)	(715)
Profit/(loss) before income tax expense		(1,302)	(680)	(529)	622	(151)
Income tax benefit/(expense)		0	78	(45)	78	123
Profit/(loss) after income tax expense		(1,302)	(602)	(574)	700	(28)
<b>Profit/(loss) for the period</b>		(1,302)	(602)	(574)	700	(28)
<b>Total comprehensive income for the period</b>		(1,302)	(602)	(574)	700	(28)

## FINANCIAL STATEMENTS

### Statement of Financial Position Variances As at 30 June 2018

	Variance Note	Original Budget 2018	Actual 2018	Actual 2017	Variance between budget and actual	Variance between actual results for 2018 and 2017
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		2,046	2,786	1,903	740	883
Prepayments		250	259	331	9	(72)
Receivables		2,536	2,519	2,655	(17)	(136)
Amounts receivable for services	f	0	0	560	0	(560)
<b>Total current assets</b>		4,832	5,564	5,449	732	115
<b>Non-current assets</b>						
Property, plant and equipment	5,g	4,139	4,714	3,863	575	851
Intangible assets		519	459	607	(60)	(148)
Sinking fund		2,434	2,379	2,170	(55)	209
Deferred tax asset		1,066	1,098	1,020	32	78
<b>Total non-current assets</b>		8,158	8,650	7,660	492	990
<b>TOTAL ASSETS</b>		12,990	14,214	13,109	1,224	1,105
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables		808	1,045	1,271	(237)	(226)
Provisions		2,638	2,450	2,464	188	(14)

## FINANCIAL STATEMENTS

	Variance Note	Original Budget 2018	Actual 2018	Actual 2017	Variance between budget and actual	Variance between actual results for 2018 and 2017
		\$'000	\$'000	\$'000	\$'000	\$'000
Other current liabilities		1,607	903	915	704	(12)
Current tax liabilities		0	0	0	0	0
<b>Total current liabilities</b>		5,053	4,398	4,650	655	(252)
<b>Non-current liabilities</b>						
Provisions		796	1,083	864	(287)	219
Deferred tax liability		0	0	0	0	0
<b>Total non-current liabilities</b>		796	1,083	864	(287)	219
<b>TOTAL LIABILITIES</b>		5,849	5,481	5,514	368	(33)
<b>NET ASSETS</b>		7,141	8,733	7,595	(1,592)	1,138
<b>EQUITY</b>						
Contributed equity		10,226	11,026	9,286	(800)	1,740
Retained earnings		(3,085)	(2,293)	(1,691)	(714)	(680)
<b>TOTAL EQUITY</b>		7,141	8,733	7,595	1,592	1,138

## FINANCIAL STATEMENTS

### Statement of Cash Flows Variances For the year ended 30 June 2018

	Variance Note	Original Budget 2018	Actual 2018	Actual 2017	Variance between budget and actual	Variance between actual results for 2018 and 2017
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service and capital appropriations		8,694	8,962	9,225	268	(263)
<b>Net cash provided by State Government</b>		8,694	8,962	9,225	268	(263)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Provision of services	6,h	18,406	20,629	17,391	2,223	3,238
GST receipts on services		1,642	2,063	1,739	421	324
<b>Payments</b>						
Employee benefits	i	(14,641)	(14,596)	(13,391)	45	(1,205)
Accommodation		(5,955)	(5,834)	(5,661)	121	(173)
GST payments on purchases		(941)	(1,199)	(1,084)	(258)	(115)
GST payments to taxation authority		(701)	(825)	(624)	(124)	(201)
Other payments	7	(4,925)	(5,908)	(5,571)	(983)	(337)
<b>Net cash used in operating activities</b>		(7,115)	(5,670)	(7,201)	1,445	1,531
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of non-current assets	8	(1,500)	(2,409)	(1,988)	(909)	(421)
<b>Net cash used in investing activities</b>		(1,500)	(2,409)	(1,988)	(909)	(421)
<b>Net increase/(decrease) in cash and cash equivalents</b>		79	883	36	804	847
Cash and cash equivalents at the beginning of period		1,967	1,903	1,867	(64)	36

## FINANCIAL STATEMENTS

<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	2,046	2,786	1,903	740	883
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### Significant variances between estimate and actual results for the financial year

- 1) Income from fee for service work was higher than budget by \$1.636 million, due to the additional revenue from fee for service work flowing from NMI integration and additional revenue from unbudgeted lead contamination analysis for the new Perth Children's Hospital.
- 2) Other revenue was higher than budget by \$0.673 million mainly due to the once-off refund for rental charges following a resolution of the final construction cost of the premises involving the landlord Curtin University and the builder. It should be noted that these refunds were harvested in the same period by the Department of Treasury with an offsetting reduction against service appropriation.
- 3) The actual increase of other expenses over the budget reflects changes in the classification of expenses between Supplies and Services and Other Expense. In addition, \$0.501 million was mainly spent to provide expert scientific support for R&D projects such as Honey and Proteomics projects and other projects. An increase in other expenses is also related to servicing additional fee for service revenue such as additional \$0.195 million member's contribution paid to Cooperative Research Centre (CRC) to secure commercial honey projects.
- 4) The actual service appropriation was lower than budget by \$0.532m mainly due to the net effect of an allocation for VTSS being offset by a once-off overpayment rent refund being harvested by Treasury.
- 5) Property, plant and equipment was higher than budget by \$0.575 million mainly due to a once-off capital purchase of specialist equipment to service one of ChemCentre's clients, i.e. Racing and Wagering WA under a new five-year contract.
- 6) Cash receipts from the provision of service was higher than budget by \$2.223 million, due to additional revenue from fee for service work flowing from NMI integration and additional revenue from unbudgeted lead contamination analysis for the new Perth Children's Hospital.
- 7) Cash payments for other expenses were higher than budget by \$0.983m. It is mainly due to additional payments made for expert scientific support for R&D projects such as Honey and Proteomics projects and other projects.
- 8) The payment for the acquisition of non-current assets was higher than budget by \$0.909 million mainly due to a once-off capital purchase of specialist equipment to service to one of ChemCentre's clients, i.e. Racing and Wagering WA under a new 5-year contract.



## FINANCIAL STATEMENTS

### Significant variances between actual results for 2018 and 2017

- (a) Revenue from the provision of services increased by \$2 million mainly due to additional revenue from NMI integration, R&D projects and increased activity from the State Coroner's office (\$0.620 million). This was offset partially by the gradual cessation of lead contamination analysis at new Perth Children's hospital (\$0.697 million in 2017-18 vs \$1.544 million in 2016-17).
- (b) Other revenue was over budget by \$0.661 million mainly due to the once-off refund for rental charges following a resolution of the final construction cost of the premises involving the landlord Curtin University and the builder. It should be noted that these refunds were harvested in the same period by the Department of Treasury with an offsetting reduction against service appropriation.
- (c) Employee benefits increased by \$1.099 million. It is mainly due to additional 10 FTEs flowing from NMI transaction compared to 2016-17. In addition, there was the impact of a flat \$1,000 per annum per FTE increase for all staff as per the General Agreement and a further \$0.214 million is related to the Government funded VTSS program.
- (d) Other expenses increased by \$0.585 million. It was due to additional \$0.089 million spent to provide expert scientific support for R&D projects and additional \$0.195 million member's contribution paid to CRC for honey project and additional \$0.102 million for external labs expense which is parallel with the additional fee for service work and additional \$0.098 million spending on staff training and staff miscellaneous expenses.
- (e) The service appropriation reduced by \$0.715 million mainly due to the rent refunds received during the year. These refunds were harvested in the same period by the Department of Treasury with an offsetting reduction against service appropriation. In addition, a cost and demand model applied by the Department of Treasury to calculate service appropriation shows the less service appropriation is required compare to 2016-17 to meet the net cost of service. It was offset by the \$0.214 million additional service appropriation provided by Government for VTSS program.
- (f) Amounts receivable for services decreased by \$0.560 million as ChemCentre withdrew all funds from asset replacement account held at Treasury to acquire assets.
- (g) Property, plant and equipment increased by \$0.851 million due to \$1.927 million tangible assets acquired, compared to the disposal and depreciation expense of \$1.076 million.
- (h) Cash receipts from the provision of services increased by \$3.238 million mainly due to additional revenue from NMI integration, R&D projects, State Coroner's Office and a once-off rent refund.
- (i) Cash payment for employee benefits increased by \$1.205m. It is mainly due to the additional FTEs.

## FINANCIAL STATEMENTS

### 9.11 Taxation Equivalent

	2018	2017
	\$'000	\$'000
<b>(a) Income tax expense</b>		
Current income tax	0	0
Deferred tax	(78)	45
Prior year under/(over) provision	-	-
<b>Net current and deferred tax transferred to Income Statement</b>	<b>(78)</b>	<b>45</b>
<b>(b) Reconciliation of income tax expense</b>		
Profit from continuing operations before income tax expense	(680)	(529)
Tax equivalent at the Australian tax rate of 30%	(204)	(159)
Tax effect of amounts which are not deductible /(taxable) in calculating taxable income:		
Tax loss not to be recognised	124	192
Unpaid superannuation (SGC)	0	11
Entertainment	2	1
Prior year over provision	0	0
	<b>(78)</b>	<b>45</b>
<b>(c) Current tax liability</b>		
Opening balance as at 1 July 2016	0	0
Prior year under/(over) provision	0	0
<b>Closing balance as at 30 June 2017</b>	<b>0</b>	<b>0</b>

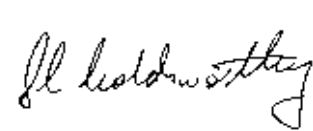
## FINANCIAL STATEMENTS

	30-Jun-18	Income Tax (expense)/ benefit	30-Jun-17
	\$'000	\$'000	\$'000
<b>(d) Deferred tax assets</b>			
Provision for doubtful debts	3	(1)	4
Accrued expenses	35	17	18
Provision for employee entitlements	1,060	62	998
	1,098	78	1,020
<b>Deferred tax liabilities</b>			
Prepayment	0	0	0
	0	0	0
<b>Net deferred tax balance</b>	1,098	78	1,020
	2018		2017
	\$'000		\$'000
<b>(e) Deferred tax assets not recognised</b>			
Deferred tax assets have not been recognised in relation to the following matters:			
Non-refundable carry forward R&D tax offsets	703		703
Carried forward tax losses	1,339		1,215
	2,042		1,918

# Key Performance Indicators

## Certification of Key Performance Indicators

We 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 30 June 2018.



**Denise Goldsworthy**  
Chair  
ChemCentre Board  
Member of Governing Board  
29 August 2018



**David Blyth**  
Chair  
Finance and Growth Committee  
Member of Governing Board  
29 August 2018

Government Goal	Desired Outcome	Services
<b>Strong Communities:</b> Safe communities and supported families	Quality scientific advice	1) Commercial and Scientific Information and Advice
	Quality emergency response	2) Emergency Response Management
<b>Future Jobs and Skills:</b> Grow and diversify the economy, create jobs and support skills development	Quality research and development	3) Research and Development

## KEY PERFORMANCE INDICATORS

### Key Effectiveness Indicators by Output

#### Service 1: 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 an annual survey of clients invited from all invoices sent out in the previous financial year above \$1,000 in value. The survey covered 206 clients with 27.7% response rate (n=57).*

The client satisfaction percentage is a relevant measure as 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 2017-18 was taken at a 95% confidence level and a sampling error of ±11.07%.

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

The Proficiency rating is a relevant measure as it demonstrates the quality of testing undertaken by ChemCentre. As ChemCentre plays a critical role in supporting the State justice and policing systems, it requires that the results of testing are dependable and high quality.

#### Service 1 Notes: Commercial Scientific Information and Advice

The client satisfaction of 88%, up 4% from the previous year and is above the target of 80%. This is a pleasing result and demonstrates ChemCentre's commitment to providing quality and timely commercial solutions.

**Proficiency Rating for the Accredited Services:** The proficiency rating is lower than reported in the previous year and the current target. This is due in part, to several non-accredited proficiency trials being included in the calculation which were based on average data rather than the more correct practice of comparison to a true or known value. The quality of reported results has not been impacted.

2014-15	2015-16	2016-17	2017-18	2017-18
Actual	Actual	Actual	Actual	Target
87%	85%	84%	88%	80%
90%	92%	92%	88%	95%



## KEY PERFORMANCE INDICATORS

### Service 2: 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	2014-15	2015-16	2016-17	2017-18	2017-18
	Actual	Actual	Actual	Actual	Target
<b>Aggregate value of ChemCentre Components:</b> <i>as determined by the ratio of R&amp;D sold or for which a grant has been received to internal R&amp;D amount spent.</i>	47/53	46/54	29/71	40/60	60/40
<b>Client Satisfaction:</b> <i>as determined by an annual survey of clients invited from R&amp;D projects conducted over the previous financial year. 18 responses were collected from 24 survey invitations.</i>	83%	80%	81%	83%	80%
The ratio of R&D sold or for which a grant has been received, to internal R&D amount spent, is relevant as it demonstrates to ChemCentre’s management the spending of appropriations by maintaining or bettering the budget ratio of in house spending to external funding.					
The client satisfaction percentage is a relevant measure as it demonstrates the quality of ChemCentre’s R&D, through clients’ responses to questions on quality, timeliness and overall satisfaction with ChemCentre’s service across major, ongoing projects. The actual client satisfaction for 2017-18 was taken at a 95% confidence level and a sampling error of ±11.8%.					

### Service 2 Notes: Quality Research and Development

The ratio of R&D sales to in-house contributions is higher than the previous year but below budget. The ratio measures where external funding is anticipated for the project, the minimum financial threshold is 40% from ChemCentre contribution and 60% from the funding body. From the financial year 2016-17, the approach of recording CSO activities has changed to reflect the full cost of delivering statutory obligations (as defined in the Act). It now captures all expenses associated with research and development. This has resulted in a lower ratio than reported in previous years however it indicates an improved performance over last year.

The Client Satisfaction rate for R&D achieved the 83%, was slightly higher than the previous year’s 81%.

## KEY PERFORMANCE INDICATORS

### 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 Effectiveness Indicator

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

2014-15	2015-16	2016-17	2017-18	2017-18
Actual Hrs	Actual Hrs	Actual Hrs	Actual Hrs	Target
1.9	2.4	3.3	1.8	4.0

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.

#### Service 3 Notes: Emergency Response Management

The 2018 average response and resolution time of 1.8 hours is lower than the previous year and is better than the target. Resolution time may be a poor indicator of capability, as the nature and complexity of the incident will have a significant impact on the outcome of the KEI. Every year the mix and location of incidents varies and in 2017-18 more incidents were attended than in 2016-17. The incidents such as the fire at Bunnings Inglewood and the murder suicide investigations near Geraldton required greater and longer engagement than incidents that can be solved with telephone advice.

## KEY PERFORMANCE INDICATORS

### Key Efficiency Indicators by Service

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

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

	2014-15	2015-16	2016-17	2017-18	2017-18
	Actual	Actual	Actual	Actual	Target
<b>Key Efficiency Indicator</b>					
Total cost for service	\$21,314,000	\$21,427,000	\$21,844,000	\$23,669,000	\$22,008,000
Billable hours: as calculated for the average staffing over the year	100,366	96,941	99,694	110,621	118,404
Average cost per chargeable hour <sup>(a)</sup>	\$210	\$211	\$221	\$214	\$186

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

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

	2014-15	2015-16	2016-17	2017-18	2017-18
	Actual	Actual	Actual	Actual	Target
<b>Key Efficiency Indicator</b>					
Total cost for service	\$1,267,000	\$1,188,000	\$1,615,000	\$2,098,000	\$1,647,000
Billable hours: as calculated for the average staffing over the year	5,240	5,278	6,945	7,850	6,831
Average cost per chargeable hour <sup>(a)</sup>	\$242	\$225	\$233	\$267	\$241

## KEY PERFORMANCE INDICATORS

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

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

	2014-15	2015-16	2016-17	2017-18	2017-18
	Actual	Actual	Actual	Actual	Target
<b>Key Efficiency Indicator</b>					
Total cost for service	\$1,733,000	\$1,894,000	\$2,346,000	\$2,137,000	\$3,070,000
Billable hours: as calculated for the average staffing over the year	7,372	6,508	7,440	7,219	7,970
Average cost per chargeable hour <sup>(c)</sup>	\$235	\$291	\$315	\$296	\$385

### Notes

- Service 1 average cost per billable hour is lower than the previous year although it is higher than the target. Chargeable hours and actual costs 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 the residual value after subtracting the billable hours for service 2 and 3 from the total available productive hours. Actual costs for service 1 are the residual value after deducting the costs for service 2 and 3 from the total cost of service. The lower chargeable hours are due to the actual average FTE of 131 which is lower than the budget FTE of 137. The higher cost for service 1 was because of additional costs incurred earning additional fee for service revenue.
- Service 2 average cost per billable hour is higher than this year's budget and previous years actual, as the cost and human resources to deliver the service are now more accurately recorded and has resulted in higher cost and billing hours for the year.
- Service 3 average cost per billable hour is lower than the previous year and the budget. This is mainly attributable to the lower cost for service, although offset by the lower billable hours. The lower cost and lower chargeable hours for 2017-18 are mainly attributable to sharing the emergency response duties among other officers when one core position was vacated due to unexpected, extended personal leave.

Contents	Statement of Compliance	Overview	Executive Summary	Operational Structure	Performance Management Framework	Agency Performance – Report On Operations
Auditor's Opinion	Financial Statements	Key Performance Indicators	Other Financial Disclosures	Governance Disclosures	Other Legal Requirements	Publications and Presentations

# Other Financial Disclosures

## Ministerial Directives

No Ministerial directives were received for the reporting period for 2017/18.

## Pricing policies of services provided

ChemCentre's pricing is reviewed annually as part of the State Budget process. Services are provided on a cost recovery basis and include incurred salary and operational costs.

## Major Capital Works

For the financial year of 2017-18, there were no major capital projects were undertaken.

## Employment and Industrial Relations

Employee Profile at 30 June 2018

Employee profile (FTEs)	2017-18	2016-17
Full-time permanent	76	80
Full-time fixed term contract	44	34
Part-time	11	7
<b>Total</b>	<b>131</b>	<b>121</b>

## OTHER FINANCIAL DISCLOSURES

In May 2017 the ChemCentre integrated the Perth based laboratory business of National Measurement Institute (NMI) which is reflected in the movement of FTEs from 2016-17 to 2017-18. ChemCentre has continued to promote flexible work arrangements including enabling staff to work remotely where operationally possible. At June 30 women represented approximately 56% of ChemCentre's workforce including 40% in leadership and management tiers.

ChemCentre maintains a highly competent and qualified workforce and approximately 60% of its workforce are below the age of 45.

### Work Force Planning and Staff Development

ChemCentre continues to place high importance on developing its workforce and remains highly attractive to individuals seeking a career in Science. In 2017-18 a number of 360-degree lifestyle inventory profile assessments were undertaken to further strengthen leadership and competencies within the organisation. The Workforce and Diversity Plan continues to set the strategies and priorities to sustain our inclusive and flexible workforce to plan and respond to emerging needs.

ChemCentre undertakes deliberate actions to foster a strong and inclusive culture. This is regularly promoted throughout the organisation and reinforced with highly visible values and clearly communicated expected behaviours that also form part of each employee's performance appraisal.

ChemCentre continued to offer an indigenous scholarship for undergraduates, work experience opportunities and placements for TAFE and university students during the year to support individuals considering a career in chemistry-related analysis and research.

Further, a review of corporate and human resource policies and procedures was also undertaken to ensure currency and relevance.

### Industrial Relations

During the financial year, there were no industrial relations issues and no disruption to services to the public.





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# Governance Disclosures

ChemCentre's Board and executive continued to focus on ensuring that good governance practices are in place and accountability frameworks are maintained, throughout the agency. In addition, a number of governance instruments were reviewed including terms of reference and delegations. The Board also undertook a self-evaluation of its performance and governance practices that was followed-up with improvement actions where applicable.

In addition, all Board members completed Accountable and Ethical Decision Making (AEDM) Training in 2017-18 and over 81% of new employees also completed AEDM training, with a further 88% of existing staff undertaking refresher training.

## **Risk Management**

During the year the Risk Management Framework, Risk Management Policy, Risk Appetite and the Risk Register were reviewed. ChemCentre also applied findings published by the Australian Prudential Regulation Authority following the Royal Commission into banking to inform its approach to risk management and governance practices.

## **Contracts with Senior Officers**

At the date of reporting, other than normal contacts of employment of service, no senior officer, 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.

## **Indemnity Insurance Premium**

During 2017-18, ChemCentre continued to maintain Director's and Officers' Liability Insurance cover limited to \$10 million at a cost of \$5,021 including GST.

## GOVERNANCE DISCLOSURES

### Workers' Compensation

Three claims for minor injuries were made this financial year with no lost time.

ChemCentre has policies and procedures that are compliant with *Workers' Compensation and Injury Management Act 1981* that outlines an injury management system directed at enabling injured employees to return to work as soon as medically appropriate. The system ensures that injury management is effectively managed to ensure that injured employees are appropriately supported and able to return to work as early as appropriate.

### Credit Card – Authorised Use

A number of ChemCentre staff hold credit cards with the usage of these cards is monitored and supported by an approved policy and conditions of use.

During 2017-18 there were no incidences of credit cards used for personal expenditure.

### Board and Committee Remuneration

S8 of the *Chemistry Act (WA) 2007* provides for the Minister to determine the remuneration paid to Board and Committee members on the recommendation of the Public Sector Commissioner. In addition, the Premier's Circular 2010/02-State Government Board and Committees sets the eligibility criteria for members to receive a fee.

The Board has approved three Board sub-committees that support the Board discharge its obligations.

The table below reports the fee paid to each eligible Board and Committee member including those not receiving a fee.

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Denise Goldsworthy	Annual fee	1 July to 30 June 2018	\$35,399
Deputy Chair	Lianne Cretney-Barnes	Annual fee	1 July to 30 June 2018	\$26,549
Member	John Farrow	Annual fee	1 July to 30 September 2017	\$4,509
Member	Bruce Brennan	Annual fee	1 July to 2 May 2018	\$14,964
Member	David Blyth	Annual fee	1 July to 30 June 2018	\$17,765
Member	Mark Thomas	Annual fee	1 July to 30 June 2018	\$17,765
Member	Wendy Malcolm	Annual fee	1 July to 30 September 2018	\$4,509
Member	Tresslyn Walmsley	Annual fee	22 November to 30 June 2018	\$10,780
Member	Ian Harrison	Annual fee	22 November to 30 June 2018	\$10,728
			<b>Total</b>	<b>\$142,968</b>

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# Other Legal Requirements

## Expenditure on Advertising, Market Research, Polling and Direct Mail

In accordance with section 175ZE of the *Electoral Act 1907*, ChemCentre is required to report its expenditure in relation to advertising, market research, polling, direct mail and media advertising.

For the reporting period of 2017-18, no expenditure was incurred in relation to the above items.

## Information Management and Recordkeeping Plan

ChemCentre's Recordkeeping Plan was approved by the State Records Commission on 2 August 2013.

ChemCentre is required to comply with the requirements of the *State Records Act 2000* and State Records Commission Standard 2, Principle 6, as reported below.

**Principle 1** – The efficiency and effectiveness of ChemCentre's recordkeeping systems have been evaluated or, alternatively, when such an evaluation is proposed.

ChemCentre is conducting a comprehensive review of its Recordkeeping Plan (the Plan) as required under the *State Records Act 2000* and to ensure continuous improvement is undertaken. A report of the review will be submitted to the State Records Commission prior to 2 August 2018.

Further, ChemCentre's Electronic Document and Records Management System (EDRMS) is being upgraded to improve functionality for users, streamline processes including retention and disposal and improve accountability. Implementation of the new upgrade is expected in September 2018.

## OTHER LEGAL REQUIREMENTS

**Principles 2 and 3** – The nature and extent of the recordkeeping training program conducted by, or for, the organisation. The efficiency and effectiveness of the recordkeeping training program have been reviewed or, alternatively, when this is planned to be done.

Staff training in the new upgraded records management system and records management principles will be undertaken and internal records management mentors are being introduced to provide ongoing support to users and continue to build records management awareness.

**Principle 4** – Assurance that the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan.

All new ChemCentre employees complete an online self-paced records keeping awareness training package that covers government accountability and compliance and good practice in record keeping. In addition, new employees attend face-to-face induction sessions that outlines their responsibilities to comply with good records management practices.

### Compliance with Public Sector Standards and Ethical Codes

In accordance with s31(1) of the *Public Sector Management Act 1994*, ChemCentre has continued to comply with public sector standards and the WA Code of Ethics that includes:

- ✓ Undertaking AEDM training across the Board and new and existing staff;
- ✓ Reviewing corporate and human resource policies and communicating updates to the workforce; and
- ✓ Raising awareness of employee responsibilities in the area of ethics and public sector standard through newsletters, induction sessions and the intranet.

During 2017-18 no claims were received for a breach of the Public Sector Standards or Code of Ethics.

### Annual Estimates

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

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

### Disability Access and Inclusion Plan Outcomes

ChemCentre's Disability and Inclusion Plan (DAIP) 2014–2018 is currently being reviewed.

ChemCentre continues to commit to ensuring that people with disability, their families and carers are not denied access to its services and programs. ChemCentre continues to promote DAIP to all staff and to the community through the link on our website and in social media.

The planned strategies in 2017-18 continue to be addressed to meet the desired DAIP outcomes:

**Outcome 1** – People with disability have the same opportunities as other people to access the services of, and any events organised by, ChemCentre.

Regular communications are provided to schools and other groups. Information is requested regarding any special needs requirements.

**Outcome 2** – People with disability have the same opportunities as other people to access the buildings and other facilities of ChemCentre.

ChemCentre has occupied the same premises for over 9 years and the modern facility provides access for people with disability.

ChemCentre also holds workshops and forums in the venue that provides access for people with disability.

**Outcome 3** – People with disability 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.

ChemCentre's website complies with the Western Australian Government Website Accessibility requirements for people with disability.

Information is also available in alternate formats upon request.

**Outcome 4** – People with disability receive the same level and quality of service from the staff of ChemCentre as other people receive.

ChemCentre's induction program includes addressing the intention and strategies of DAIP. Front line staff receive instruction on general staff awareness of disability and access issues.

**Outcome 5** – People with disability have the same opportunities as other people to make complaints to ChemCentre.

The implemented complaints process is clearly accessible on the website and additional flexible approaches are able to be accommodated for people with disability intending to make a complaint or provide a compliment.

**Outcome 6** – People with disability have the same opportunities as other people to participate in any public consultation by ChemCentre.

ChemCentre is very active in promoting STEM in schools and in other programmes held by ChemCentre.

**Outcome 7** – People with disability have the same opportunities as other people to access and maintain employment at ChemCentre.

ChemCentre has an inclusive recruitment policy and practices and welcomes its diverse and inclusive workforce.

### Occupational Safety, Health and Injury Management

ChemCentre is committed to providing a workplace that ensures the safety and health of all staff and visitors and recognises the benefit of preventing incidents.

A robust Occupational Safety and Health Management System (OSHMS) exists to assist the workplace in achieving its safety objectives. All new employees receive an intensive safety induction. Further, an ongoing program of safety awareness is carried out on a monthly basis.

## OTHER LEGAL REQUIREMENTS

Managers and supervisors are required to undertake safety training every three years to ensure they understand their OSH obligations and responsibilities in the workplace.

The Occupational Safety and Health Committee, including the Chief Executive Officer, safety representatives nominated by employees and an executive appointed Safety Coordinator, offer a formal framework for communication and consultation of safety issues in the organisation. The Committee members and Safety Coordinator 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 Management Plan.

ChemCentre has also attained additional OSH accreditation through the JAS-ANZ accreditation in AS/NZS 4801:2001 – OHS Management System.

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

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

Annual performance for 2017-18 against the following targets:

Measure	2016-17 <sup>(1)</sup>	2017-18 <sup>(2)</sup>	Target 2017-18	Results
Number of fatalities	0 days	0 days	0	Against Target
Lost time injury/disease (LTI/D) incidence rate	0	0	Zero (0) or 10% reduction (3) (actual target can be stated)	Target achieved Zero (0)
Lost time injury severity rate	0.5 days	0	Zero (0) or 10% reduction (3) (actual target can be stated)	Target achieved Zero (0)
Percentage of injured workers returned to work (i) within 13 weeks (ii) within 26 weeks	100%	100%	Greater than or equal to 80%	Target achieved
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	76%	87%	Greater than or equal to 80%	Target achieved

1. This indicator examines a three-year trend and as such, the comparison base is to be two years prior to the current reporting year i.e. 2015-16.
2. The current reporting year is 2017-18.
3. The reduction may be calculated over a three-year period.

### Freedom of Information Statement

ChemCentre publishes a freedom of information (FOI) statement that also outlines how to lodge an FOI request on its website.

For the reporting period of 2017-18, one freedom of information request was received.

### Substantive Equality

The principles of the State Government's Policy Framework on Substantive Equality continued to be included in the Workforce and Diversity Plan.

### Government Building Training Policy

For the reporting period of 2017-18, no contracts were awarded for a Government building, construction and maintenance.



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# Publications and Presentations

## Conference and Workshop Presentations

Allen, D., North, M., **Black, S., Price, B.**, and Rothnie, N. 2017. “Using Chromium Reducible Sulfur to Predict Acid Formation Potential”. Proceedings of the 9th Australian Workshop on Acid and Metalliferous Drainage, SMI, 20–23 November 2017. Burnie, Tasmania, Australia.

**Black, S.** 2017. “Mine pit Lakes – MRIWA projects and Desk top Study”. CRC CARE Projects Workshop, 21 September 2017. Perth, Australia.

**Black, S.** 2017. “CRS Project”. CRC CARE Projects Workshop, 21 September 2017. Perth, Australia.

**Black, S.**, Manns, K., Wilkinson, S., **Pearce, M.**, and Liu, Y. 2017. “Study of Nano Diesel Particulate Matter in Underground Hard Rock Mines”. Sunrise Dam Gold Mine Site Workshop, 25 October 2017. Western Australia, Australia.

**Black, S.** 2017. “R&D Activities at ChemCentre”. International Network for Acid Prevention (INAP) Australian Node Workshop, 28 November 2017. Perth, Australia.

**Black, S.** 2018. “Leaching Environmental Impact Assessment Tools (LEAF) for Industry and Regulators Managing Waste Challenges”. *German Travelling Workshop: Resource Efficiency and Environmental Compatibility in Waste Management*. Hosted by ChemCentre and funded by the German Ministry for Education and Research. Perth, Australia.

**Collins-Brown, L., Brown, D., Douglas, B., Oosthuizen, F., Reynolds, D., Sumner, N., Priddis, C.** 2017. “NPS – The Western Australian Perspective: Part 1: An Agency Approach”. The 5th International Conference on Novel Psychoactive Substances, 23–24 October 2017. Vienna, Austria.

**Donovan, R.** 2017. “The identification and synthesis of novel byproducts associated with the dissolving metal reduction of pseudoephedrine”. Clandestine Laboratory Chemists Associated Annual Meeting, 6–9 September 2017. Phoenix, Arizona.

**McCafferty, P.** 2018. “The Evolution of a Diversified Laboratory and How to Ensure Optimum Performance in a Dynamic Market.” Future Labs Conference, 13–15 June 2018. Melbourne, Australia.

## PUBLICATIONS AND PRESENTATIONS

**Oosthuizen, F.** 2017. “Developments in testing for Drug Drivers”. Australian Road Safety Conference, 9 – 11 October 2017. Burswood, Western Australia.

**Oosthuizen, F., Douglas, B., Brown, D., Coumbaros, J., Collins-Brown, L.** 2018. “Detecting Illicit Drugs”. Toxicology and Poisons Network Australia, 2–4 May 2018. Sydney, Australia.

**Pitts, K., Clarke, R.,** Aspandiar, M., **Coumbaros, J.** 2018. “Forensic Comparison of Sandy Soils using Raman Spectroscopy, X-ray Diffraction and Synchrotron Powder Diffraction”. American Academy of Forensic Science 75th Meeting, 22 February 2018. Seattle, United State of America.

**Swinny, E.** 2017. “ChemCentre – Managing Chemical Hazards to Protect the Community”. HAZCHEM Conference, IDC Technologies, 7–8 June 2017. Perth, Western Australia.

**Swinny, E.** 2017. “The World of Emergency Response”. Future Science 2017 Conference, Science Teachers Association of Western Australia, 1 December 2017. Bentley, Western Australia.

### Conference Posters

**Black, S., Price, B., Rothnie, N., Sharma, R.,** Martin, R., Allen, D. 2017. “Validation of Sequential Leaching Tests to Predict Potential Impacts of Low Sulfur Iron Ore Waste on Surface and Groundwater Quality”. Proceedings of the 9th Australian Workshop on Acid and Metalliferous Drainage, SMI, 20–23 November 2017. Burnie, Tasmania, Australia.

**Collins-Brown, L., Brown, D., Douglas, B., Oosthuizen, F., Sumner N.** 2017. “NPS – The Western Australian Perspective: Part 2: Toxicology”. The 5th International Conference on Novel Psychoactive Substances, 23–24 October 2017. Vienna, Austria.

**Collins-Brown, L., Davies, M., Reynolds, D.** 2017. “NPS – The Western Australia Perspective: Part 3: Illicit Drugs”. The 5th International Conference on Novel Psychoactive Substances, 23–24 October 2017. Vienna, Austria.

**Pitts, K., Clarke, R.,** Aspandiar, M., **Coumbaros, J.** 2017. “Forensic Analysis of Soils of the Swan Coastal Plain using Synchrotron Powder Diffraction”. Australian Synchrotron Roadshow-Curtin University, 10 November 2017. Bentley, Western Australia.

The following poster were presented at the BICWA/ChemCentre WA Honey Industry Research Reporting Event, 20 April 2018; The West Australian Parliament House for World Bee Day Celebrations, 20 May 2018; The 3rd Australian Bee Congress, Queensland, 27–30 June 2018.

Campbell, T., Fearn, P., **Dods, K.** 2018. “Honey from Space: detection of red gum flowering Events from satellites”.

**Dods, K., Liu, L., La, L. V., Stephens, R., Wellington, E., De Boer, A., Affi, N.,** Manning, R., Milne, L., Davis, R. 2018. “Using Compositional Chemistry To - Establish Natural Honey Attributes - Build an Industry Standard for Jarrah, Marri, Yate and Powderbark Honey from WA”.

**Downey, A., Kazemi, S., Hayter, B., Dods, K.,** Manning, R., Milne, L. 2018. “Potential Uses of an Odour Profile for the Western Australian Honey Industry”.

Jorritsma, J., Chandler, D., Garrett, K., Milne, L. A., Manning, R., Mack, C., Davis, R., **Dods, K.** 2018. “Quantification of Single-Copy Nuclear Region for the Identification of Pollen in Honey”.

Kratz, M., Blache, D., Manning, R., **Dods, K.,** Baer, B. 2018. “Food Resource Differences on the Body Composition of Emerging Bees”.

Manning, R., Milne, L., Davis, R., **Dods, K.** 2018. “Sampling Program for Jarrah, Marri, Yate and Powderbark Honey from WA”.

Milne, L. A., Mack, C. L., Manning, R., Davis, R., **Dods, K.** 2018. “Palynology of Jarrah and Marri Honey: Site Surveys and Analysis”.

**Pearce, M., Murdoch, J., Dods, K., Crisp, H.,** Milne L., R. Manning. 2018. “Rapid Diagnostic Methodology - Raman and FTIR for Honey Identification”.

Tu, J., Izadi, B., **Dods, K., Panine, N.** 2018. “Extending and Automating Critical Control in the WA Honey Supply Chain”.

## PUBLICATIONS AND PRESENTATIONS

### Lectures

**Palmer, J.** 2017. “Dangerous Goods & GHS”. ChemCentre Basic HAZMAT Training Course, 3 October 2017. Bentley, Western Australia.

**Palmer, J.** 2017. “Radiation Safety”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 24 October 2017. Bentley, Western Australia.

**Palmer, J.** 2017. “Fundamentals of Infrared Spectroscopy”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 21 November 2017. Bentley, Western Australia.

**Palmer, J.** 2017. “Explosives and CWA Detection”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 5 December 2017. Bentley, Western Australia.

**Palmer, J.** 2018. “X-ray Fluorescence”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 6 February 2018. Bentley, Western Australia.

**Palmer, J.** 2018. “Mercury Detection”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 6 February 2018. Bentley, Western Australia.

**Palmer, J.** 2018. “ChemCentre’s CBRN Capability”. ChemCentre, Joint Hazardous Area Reconnaissance Team Training, 5 April 2018. Bentley, Western Australia.

**Palmer, J.** 2018. “Selection of PPE”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 17 April 2018. Bentley, Western Australia.

**Palmer, J.** 2018. “Detector Triage and Hotzone Sampling”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 8 May 2018. Bentley, Western Australia.

**Palmer, J.** 2018. “Decontamination’ ChemCentre Basic HAZMAT Training Course”. ChemCentre, 22 May 2018. Bentley, Western Australia.

**Pearce, M.** 2017. “Mobile Laboratory Functionality and Pre-deployment”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 31 October 2017. Bentley, Western Australia.

**Pearce, M.** 2017 “Chemistry of Spot Tests”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 7 November 2017. Bentley, Western Australia.

**Pearce, M.** 2017. “Fundamentals of Raman Spectroscopy”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 28 November 2017. Bentley, Western Australia.

**Pearce, M.** 2018. “Theory of Electrochemical Detectors and Gas Detection Tubes”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 23 January 2018. Bentley, Western Australia.

**Pearce, M.** 2018. “Fundamentals of Gas Phase Infrared Spectroscopy”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 13 March 2018. Bentley, Western Australia.

**Pearce, M.** 2018. “Sampling of Gases, Liquids and Solids”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 3 April 2018. Bentley, Western Australia.

**Pearce, M.** 2018. “Photographic Recording and Data Transfer”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 10 April 2018. Bentley, Western Australia.

**Pitts, K.** 2017. “Forensic Chemistry”. Ellenbrook Senior High School Year 9, 5 September 2017. Ellenbrook, Western Australia.

**Pitts, K.** 2017. “Physical Evidence”. Scitech, Forensic Fest 2017, 27 September 2017. Perth, Western Australia

**Pitts, K.** 2017. “Forensic Chemistry”. Ellenbrook Senior High School Year 11, 19 October 2017. Ellenbrook, Western Australia.

**Pitts, K.** 2017. “PE overview/ Glass / Soils and Minerals”. WA Police Forensic Science Course: Physical Evidence Analysis, 15 November 2017. Joondalup, Western Australia.

**Pitts, K.** 2017. “Forensic Science: Trace Evidence”. Science Teachers Association of Western Australia, Future Science Conference, 1 December 2017. Bentley, Western Australia.

**Pitts, K.** 2018. “Case Studies in Physical Evidence”. Curtin University, Forensic Trace Evidence FORS2000, 22 May 2018. Bentley, Western Australia.

**Pitts, K.** 2018. “Forensic Microscopy”. Murdoch University, Introduction to Forensic Science CHE103, 23 March 2018, Murdoch, Western Australia.

**Pitts, K.** 2018. “2018 Celebrating International Day for Women and Girls in Science Webinar”. CSIRO and Earth Sciences WA, 12 February 2018. Online/Karawara, Western Australia.

## PUBLICATIONS AND PRESENTATIONS

**Powell, R.** 2018. “Textile Fibres”. Office of the Director of Public Prosecutions, 13 February 2018. Perth, Western Australia. Perth, Western Australia.

**Soukos, K.** 2018. “Fundamentals of Gas Chromatography Mass Spectroscopy”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 30 January 2018. Bentley, Western Australia.

**Soukos, K.** 2018. “Fundamentals of Ion Chromatography”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 20 March 2018. Bentley, Western Australia.

**Swinny, E.** 2017. “Occupational Health and Safety and Duty of Care”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 19 September 2017. Bentley, Western Australia.

**Swinny, E.** 2017. “ChemCentre Emergency Response; Duty of Care”. University of Western Australia, CHEM3006, 19-20 September 2017. Crawley, Western Australia.

**Swinny, E., Palmer, J., Pearce, M., Benjamin, A.** 2017. “ChemCentre Emergency Response”. Department of Fire and Emergency Services, Special Equipment Tender Course, 26 September 2017. Osborne Park, Western Australia.

**Swinny, E.** 2017. “Equilibrium, Acids and Bases”. ChemCentre Basic HAZMAT Training Course, 10 October 2017. Bentley, Western Australia.

**Swinny, E.** 2017. “Fundamentals of Common Gases”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 18 October 2017. Bentley, Western Australia.

**Swinny, E., Palmer, J., Soukos, K.** 2017. “ChemCentre Emergency Response”. Department of Fire and Emergency Services, Station Officer Course, 23 October 2017. Forrestfield, Western Australia.

**Swinny, E.** 2018. “Incident Assessment”. ChemCentre, ChemCentre Basic HAZMAT Training Course, 1 May 2018. Bentley, Western Australia.

Truscello, D., **Palmer, J., Soukos, K., Eaton, H.** 2018. “ChemCentre Emergency Response”. Department of Fire and Emergency Services, DFES Training Course, 15 March 2018. Kewdale, Western Australia.

Truscello, D., **Pearce, M.** 2018. “Electrochemical and Photoionisation Detection”. Department of Fire and Emergency Services, DFES Training Course, 5-6 April 2018. Kalgoorlie, Western Australia.

### Research Papers and Reports

**Black, S., Allen, D., North, M., Price, B., Rothnie, N.** 2018. “Applicability of the Chromium Reducible Sulfur Test for Acid Metalliferous Drainage Prediction in Hard Rock Mining” *Journal of Applied Geochemistry* (Elsevier), 91: pp.45–53. <https://doi.org/10.1016/j.apgeochem.2018.01.013>.

**Black, S., Price, B., Allen, D.** 2018. “Geochemical Characterisation of Marandoo Iron Ore Tailings”. Report for Rio Tinto, Western Australia. 34 pages.

**Donovan, R.** 2017. “The identification and synthesis of novel byproducts associated with the dissolving metal reduction of pseudoephedrine”. *Journal of the Clandestine Laboratory Chemists Association* 27(04): pp.16–24.

**Liu, Y., Allen, D., Rothnie, N., Black, S.** 2018. “Total Suspended Particulate (TSP) Source Apportionment in Port Hedland: Phase One”. Report for Pilbara Port Authority, Western Australia. 154 pages.

**Powell, R., van Bronswijk, W., Coumbaros, J.** 2018. “Enhancing the evidential value of textile fibres Part 1: Development of a spectral database and evaluative comparison strategy”. *Forensic Science International*, 287: pp.54–62. <https://doi.org/10.1016/j.forsciint.2018.03.025>

**Sharma, R., Allen, D., Black, S., Price, B., Rothnie, N.** 2018. “Validation and Standardisation of Sequential Leaching Tests to Better Predict the Impact of Mining on Ground and Surface Water Quality” Minerals Research Institute of WA. Report No. 432. 231 pages.

**Sharma, R., Summers, R., Bushby, K., Adkins, P.** 2018. “Ellen Brook Soil Amendment Trial: Ellenbrook, Western Australia”. Report for the Department of Biodiversity, Conservation and Attractions, Western Australia.



