



# ANNUAL REPORT 2019-20



## ACKNOWLEDGEMENT OF COUNTRY

ChemCentre acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters, and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders past, present and future.



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## STATEMENT OF COMPLIANCE

Hon. Dave Kelly MLA.

Minister for Water; Forestry; Innovation and ICT; Science; Youth.

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 2020.

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

A handwritten signature in black ink, appearing to read 'Denise Goldsworthy'.

**Denise Goldsworthy AO**

Chair

ChemCentre Board

27 August 2020

A handwritten signature in black ink, appearing to read 'David Blyth'.

**David Blyth**

Deputy Chair

ChemCentre Board

27 August 2020



# EXECUTIVE SUMMARY



## OUR VISION

ChemCentre is Western Australia's leading provider of specialised chemical and forensic science services.

## OUR MISSION

ChemCentre provides chemical and forensic science services for a safe and prosperous Western Australia.

## OUR VALUES

**Integrity** – We operate a sustainable business that strives to operate safely, ethically, sustainably and with integrity in all that we undertake.

**Respect** – We respect our clients, our staff and the responsibilities that we are charged with.

**Technical excellence** – We advocate technical excellence and utilising excellent science to inform and improve everything that we do.

**Innovation** – Through method development and targeted, collaborative research and development we continually seek to improve our science for the benefit of our stakeholders.

## STRATEGIC DIRECTION

The community of Western Australia is the primary beneficiary of ChemCentre's services. Our major clients include the Government of Western Australia (directly and through client Departments), Government Trading Enterprises (GTEs), the public and industry. ChemCentre strives to achieve its mission of ensuring a safe and prosperous Western Australia by providing specialised services to a range of clients.

Our overarching strategic objectives are to:

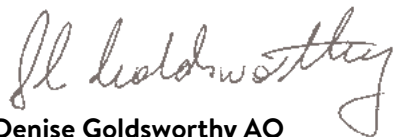
- Mitigate risks to government associated with public health, public safety and the environment
- Keep the State safe during times of emergency and crisis
- Support the State justice and policing systems
- Support the sustainable economic development of the State
- Support science capability and engagement in the State
- Develop our people, enhance organisational capability and financial sustainability

## FROM THE CHAIR

During the COVID-19 pandemic, it has become evident that advice from Government agencies is crucial to good business and to good government. People now understand that good science and rigorous analysis can inform business decisions and intelligent policy to combat difficult problems. This recognises that ChemCentre has long stood at the forefront of rigorous, independent chemical analysis and forensic science, providing a vital service to the Western Australian government and public. Whether it's in the courts, in private industry or in the day-to-day operations of Government, ChemCentre's analysis and expertise is able to add substance to decision making.

ChemCentre finished the 2019-20 financial year in a good position, with a sustainable financial model in place and our collaborations and relationships with other organisations flourishing.

We farewelled Lianne Cretney-Barnes from the Board early this financial year and welcomed Colin Murphy. I thank Lianne for her service on the ChemCentre Board. Peter McCafferty, who had been acting CEO, was confirmed in the substantive position as CEO, bringing a level of certainty and surety to his excellent leadership. I look forward to continuing to work with all of the ChemCentre staff and Board as we deliver our services to help make WA a better place.



**Denise Goldsworthy AO**

Chair, ChemCentre Board

**THIS RECOGNISES THAT  
CHEMCENTRE HAS LONG  
STOOD AT THE FOREFRONT  
OF RIGOROUS, INDEPENDENT  
CHEMICAL ANALYSIS  
AND FORENSIC SCIENCE,  
PROVIDING A VITAL SERVICE  
TO THE WESTERN AUSTRALIAN  
GOVERNMENT AND PUBLIC.**





## FROM THE CEO

ChemCentre's work output has continued relatively uninterrupted this year despite the COVID-19 pandemic. We were able to quickly establish protocols to enable our staff to safely continue to work while observing appropriate measures to minimise the chances of essential services being interrupted.

While staff presented at fewer scientific forums and conferences than normal due to COVID-19 related cancellations, we were nevertheless in the spotlight this year. Our examination and analysis of fibres provided evidence in the court case publicly known as the Claremont serial killings trial. Fibre analysis as part of a forensic investigation into a crime doesn't always make headlines, but as demonstrated in this case, can provide crucial evidence. ChemCentre is a world leader in this area and I am immensely proud of all the staff involved, both those who presented in court and those who performed behind the scenes roles.

## WE CONTINUE TO WORK AT THE LEADING EDGE OF CHEMICAL RESEARCH AND INNOVATION ACROSS A BROAD RANGE OF AREAS, INCLUDING MINING, AGRICULTURE, THE ENVIRONMENT AND FOOD.

ChemCentre's outstanding expertise extends beyond fibre analysis into many other areas. We continue to work at the leading edge of chemical research and innovation across a broad range of areas, including mining, agriculture, the environment and food. Several years ago, we restructured the way we approach our research and innovation. The outputs from this work are now



producing fee paying work and greater benefits to the State. It's an exciting time for ChemCentre and I thank all staff and our Board for their ongoing commitment to our work.

Finally, I'd like to congratulate our Board Chair, Denise Goldsworthy, for the recognition she received in the 2020 Queen's Birthday Honours and her appointment as an Officer of the Order of Australia (AO), in acknowledgement of her service to business, particularly to technological innovation and research in the mining and manufacturing sectors.



**Peter McCafferty**  
CEO ChemCentre

## COVID-19 RESPONSE

ChemCentre was represented on the WA COVID-19 Pandemic Unit, which provides advice to government.

Internally, ChemCentre managed the potential disruption of the COVID-19 pandemic rapidly and effectively and avoided disruption to our critical turnaround times. We were able to extend our ICT services and implement new models to enable mobilisation of our workforce. We introduced flexible rosters, which included some staff working from home and on-site at ChemCentre. By reducing the number of staff at ChemCentre at any one time and extending the operating hours of the laboratories, we were able to continue to provide analytical, emergency response and forensic science services to the State and our commercial clients without disruption. As part of risk mitigation strategies, we separated teams of scientific staff on different rosters thus reducing the likelihood of gaps in available expertise in the event of staff required to enter isolation or quarantine. Fortunately, this preparedness has not been tested.

At the time of the onset of COVID-19, ChemCentre was planning a comprehensive psychological wellbeing program. Under the current circumstances and given increasing mental health issues in the wider community, we have progressed the program. It will implement strategies to support and manage wellbeing at ChemCentre over the next three years.





## WHO WE ARE

ChemCentre is a statutory authority within the Western Australian Government operating under the *Chemistry Centre (WA) Act 2007*. ChemCentre has a long and proud heritage protecting the State, tracing its origins back to the gold rush in the 1890s.

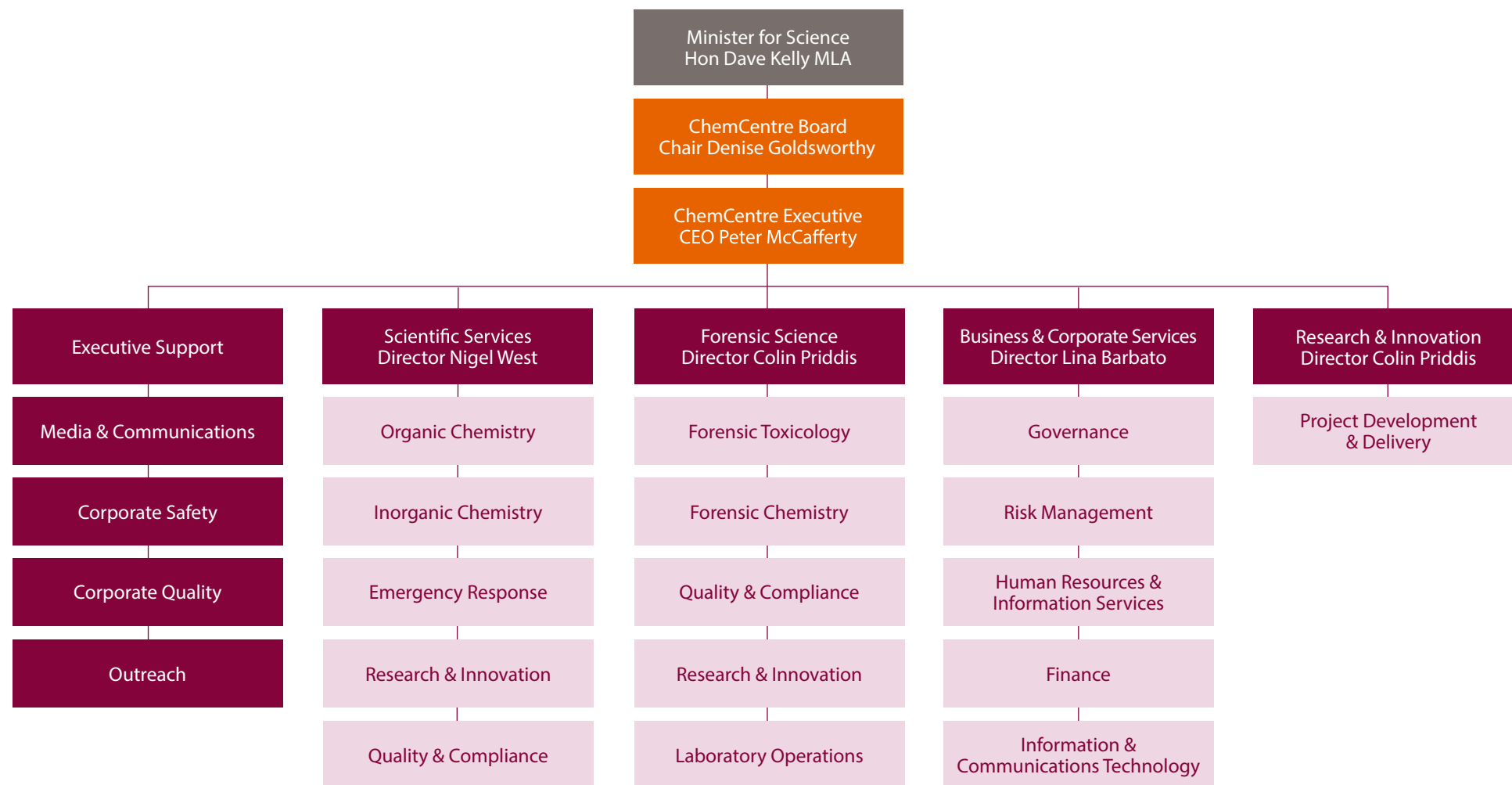
We work from analytical laboratories housed within the Resources and Chemistry Precinct at Curtin University, Bentley, and proudly rank many internationally recognised chemists among our 145 staff.

ChemCentre offers a unique combination of scientific excellence and applied scientific expertise:

- Internationally recognised expertise and experience in our specialist fields
- State-of-the-art analytical equipment and methods
- National Association of Testing Authorities (NATA) accreditation across many of our specialist domains
- Applied research and innovation to identify and develop new science to assess and manage emerging risks
- Collaborative scientific networks at the State, national and international levels
- Assisting Western Australian businesses to maintain a market advantage through targeted chemistry-based science

Internally, our organisation is divided into divisions to enable us to provide the range of services required to meet our statutory obligations and fulfil our role in keeping WA safe and prosperous.

## ORGANISATIONAL STRUCTURE



## WHAT WE DO

ChemCentre delivers services and advice to support the broad high-level State Government goals of:

- Strong communities – safe communities and supported families
- Future jobs and skills – grow and diversify the economy, create jobs and support skills development

In this context, our work involves scientific services, emergency response, forensic science, research and innovation, business and corporate services, and education and outreach, as described below.

## SCIENTIFIC SERVICES

ChemCentre provides scientific services, analysis and advice on the chemistry associated with air, water, soil, biota, mining, occupational health and safety, agriculture, petroleum, manufacturing and processing. Our advice informs Government and industry to enable them to make decisions that appropriately manage chemistry-related risk. Our expertise contributes to WA's sustainable economic development while ensuring people and the environment are safeguarded against chemistry related risk.

We conduct fee-for-service consulting work which helps to offset the cost to government of ChemCentre delivering on its statutory obligations. Our consulting 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 the State, and to meet other government requirements.

The hemp industry has developed quickly in recent years following changes in legislation that enabled hemp to be grown commercially. ChemCentre

is working with this burgeoning industry on a number of fronts. As well as providing a range of testing services for medicinal cannabis oils, we are working with Charles Sturt University and the WA Department of Primary Industries and Regional Development (DPIRD) investigating hemp as a potential feed stock for sheep.

ChemCentre is providing specialist chemical analysis of air and water samples in a globally significant scientific monitoring program to protect Aboriginal rock art on Murujuga (Dampier Archipelago). The work will determine whether the Murujuga rock art is being impacted by industry or shipping emissions. Part of ChemCentre's role is looking at air borne contaminants, including nitrous oxides and carbon dioxide levels, and whether these gases interact with the material that forms the basis of the artwork. It is yet another application of our existing capabilities.

We have worked with DPIRD to conduct a baseline study of fish from Cockburn Sound, to ensure that seafood from the area continues to be fit for consumption.

Our work on LEAF (Leaching Environmental Assessment) tools has shown yet more benefits this year, with the testing regimes we have developed becoming more mainstream and assisting new industries as they develop.

We have worked with the Department of Water and Environmental Regulation (DWER) to establish protocols to enable us to help them increase their capacity to rapidly respond to unplanned events that involve the release of pollutants into the environment. Our expertise in analysing and identifying unknown chemicals is a valuable addition to DWER's in-house pollution response capabilities. This work augments our existing Emergency Response work.

Our expertise in determining the origins of materials extended to assisting the Colombian government to determine the origin of gold, providing positive outcomes in environmental and legal matters.



## EMERGENCY RESPONSE

ChemCentre has a mandated responsibility to deliver emergency response and chemical hazard response services to WA, as outlined in the Chemistry Centre (WA) Act 2007. ChemCentre provides scientific advice and support to manage the risks to the State where hazardous materials impact public safety, public health and critical infrastructure.

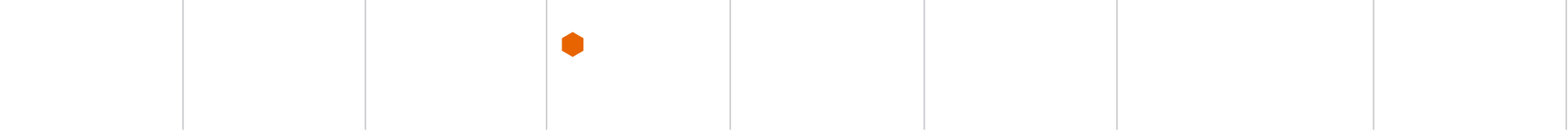
ChemCentre's hazardous materials (HAZMAT) and chemical, biological, radiological (CBR) role is described in the emergency response role is described in the State Hazard Plan and this involves a collaborative working arrangement underpinned by an Memorandum of Understanding (MOU) with Department of Fire and Emergency Services (DFES). This year we have continued to ensure we have the capability, including highly trained staff, infrastructure and processes, to perform the required tasks and meet the obligations to the State and DFES.

Our Emergency Response staff and a mobile laboratory are on call to attend HAZMAT and CBR incidents 24 hours every day, seven days every week, anywhere across WA. DFES provides an aerial response capability to attend to incidents in regional WA. ChemCentre's Emergency Response team is able to be deployed via this aerial capability. The 24/7 Emergency Response roster draws upon 23 expert ChemCentre staff, who also perform other essential scientific services and research within the organisation and the broader instrument capability within the Bentley laboratory.

ChemCentre is represented on the Chemical Warfare Agent Laboratory Network (CWALN). This network consists of nominated State and Territory representative laboratories and facilitates national and international relationships with chemical hazard, emergency response and counterterrorism agencies.







ChemCentre's Emergency Response unit has been called out to fewer incidents this year, mainly due to a significant drop in the number of incidents during April and May 2020, during the COVID-19 lockdown. We attended a total of 25 incidents, all of which were resolved.

ChemCentre Emergency Response and DFES are the WA points of contact for the Australia New Zealand Counter Terrorism Technical Committee national reach-back service. The service is initially being piloted in WA, Queensland and ACT. This initiative aims to increase existing capacity to detect chemical warfare agents and reduce the potential risk to responders and the public when analysing chemical agents in various scenarios.

## FORENSIC SCIENCE

ChemCentre's forensic science laboratory provides analytical services in forensic toxicology, chemical criminalistics, physical evidence, drug analysis and racing chemistry. The scientifically robust, legally defensible testing and expertise that we provide to State and district coroners, the WA 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 unexplained deaths, and oral fluids from roadside drug testing. We characterise trace evidence, such as explosives, accelerants, gunshot residues, paint, hair and fibre, for criminal investigations. Our proteomics capability –our ability to systematically identify and quantify the proteins within biological systems – makes us a national leader in this forensic methodology and enhances our ability to provide information to the coroner, police, courts, and racing and sports agencies.

ChemCentre's role in forensic science took a very public profile this year as the fibre analysis and database technology, developed by ChemCentre over many years, enabled a significant body of evidence to be provided to the courts in a long running homicide investigation. ChemCentre staff spent

## CHEMCENTRE'S ROLE IN FORENSIC SCIENCE TOOK A VERY PUBLIC PROFILE THIS YEAR AS THE FIBRE ANALYSIS AND DATABASE TECHNOLOGY...ENABLED A SIGNIFICANT BODY OF EVIDENCE TO BE PROVIDED TO THE COURTS IN A LONG RUNNING HOMICIDE INVESTIGATION.

over nine days in court presenting this evidence. This was possible due to the commitment of resources over an extended period of time and the scientific rigour employed in developing these capabilities and methodologies.

For several years we have been working with Royal Perth Hospital emergency department on the WISE project – WA Illicit Substance Evaluation Study. WISE involves comparing observed symptoms with drugs identified through toxicological analysis. This enables better treatment of emergency cases in the future. The value of this project has been widely recognised resulting in its expansion to the national level as EDNA – Emergency Drug Network of Australia. ChemCentre plays a pivotal role due to our recognised expertise in the analysis of novel psychoactive substances (NPS) and our ongoing research on the toxicology of illicit substances. The project provides positive benefits at the State and national level in the treatment of patients presenting with symptoms of illicit drugs.



The State Government's investment in the Health Department's forensic pathology CT scanner has improved coronial processes. This is a great benefit to the family and loved ones of the deceased. For ChemCentre, it has resulted in a 30% increase in the number of coronial cases requiring urgent analysis. ChemCentre managed this increased requirement at the same time as maintaining or reducing our existing backlog of cases.

There was an increase in roadside drug testing during the year. The extra roadside drug tests performed by WA Police (an increase of about 10,000) equated to about 1000 extra toxicology confirmation tests being done by ChemCentre. Regulations relating to collecting samples from individuals involved in road traffic accidents have also changed. This year full toxicology was required on all victims rather than just the driver. This changed the number of full blood assays from around 600 last year to approximately 1200 this year.

We have implemented further efficiencies in our racing chemistry methodology using high resolution mass spectrometry. This enables us to test a greater number of substances simultaneously and at much lower levels of detection. This has improved turnaround times. We have continued to develop our proteomics capability in the racing area and can now look at about 40 different peptides simultaneously.

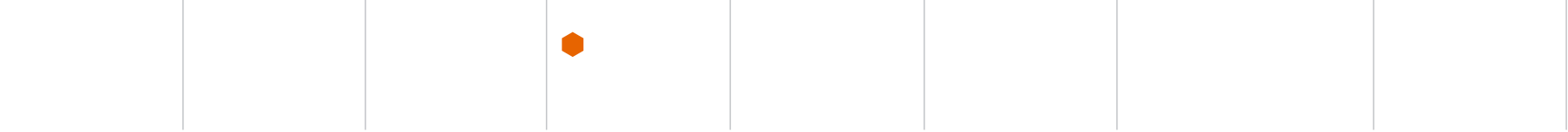
We have also used our proteomics capabilities to develop unique methodologies to assist in coronial cases. We have developed a method to enable us to determine the type of insulin people have taken, which provides us with greater insights into the role of insulin in the death. Another newly developed proteomics method enables us to identify the venom of the top 12 species of poisonous Australian snakes, enabling us to provide an accurate cause of death to the coroner or pathologist. ChemCentre is the only forensic laboratory in Australia with this capability.

## RESEARCH AND INNOVATION

Our research and innovation (R&I) efforts focus on applied and collaborative approaches to solve complex problems for the WA Government and the State's industrial, mining, agricultural, environmental and forensic science sectors. Our R&I initiatives are determined as part of, and consistent with, our broader overarching strategic objectives. Our R&I strategy clearly articulates to our external and internal stakeholders how we intend to provide chemical and forensic science services to enable a safe and prosperous WA, concurrent with broadening our commercial objectives and supporting industry development in a way that contributes to the community and the State's economy.

This focus has seen us extend our involvement in Cooperative Research Centres (CRCs) this year to include Transformations in Mining Economies (TiME) CRC and Future Battery Industries (FBI) CRC. Our work with CRC TiME focuses on identifying effective ways to provide decision making tools for mine closure. Like our separate project on mine pit lakes, the work aims to provide industry and regulators with more certainty in identifying long-term potential risks that may impact the re-purposing of mine byproduct materials. Within FBI CRC, ChemCentre has significant roles in projects related to environmental and waste management strategies, covering aspects from extraction of materials through to the end-of-life of batteries, to better inform Government guidance, regulation and policy and ensure a sustainable battery minerals industry.

Our work with the Fighting Food Waste (FFW) CRC is in development. It focuses on finding ways to use by-products from products such as sandalwood, honey and hemp in nutraceuticals. Some of our WA-based projects with the honey industry have moved to a national focus through our involvement with the CRC for Honey Bee Products (HBP) and initiatives to create certification processes for provenance and adulteration assessment.



ChemCentre's involvement in a number of dust apportionment studies across the State has enabled us to develop sampling methodologies, analytical techniques and interpretative capabilities that give insights into dust sources. These methods and capabilities can be extended to other areas and situations, enabling industry to manage dust more appropriately.

### **BUSINESS AND CORPORATE SERVICES**

ChemCentre's Business and Corporate Services Division operates under a service delivery model to provide high level services to ChemCentre's science Divisions.

A key initiative being managed by the Division is the modernisation of our Laboratory Information Management System (LIMS) and this year we completed the foundation work for this major project.

We have initiated a comprehensive culture and leadership program that will ultimately cascade through the organisation. The facilitated program is designed to also strengthen soft skills and further develop an inclusive and adaptable culture.

ChemCentre has continued to progress with the removal of paper-based processes and has progressed digitised processes in our laboratories. A comprehensive review was also undertaken of our business continuity arrangements and strategies to ensure they align with current and future business and security requirements.

### **EDUCATION AND OUTREACH**

ChemCentre delivers a range of outreach activities and broader community engagement under our enabling legislation, which requires us to 'promote and assist in the provision of chemistry-based education and training'. We use traditional, online and social media to communicate with the public and are active across several platforms. We provide expertise to State, national and international working groups to support WA, and run an outreach and education program. This includes school visits, guest lecturing and tertiary student supervision. We support and participate in science-related community events such as National Science Week, Perth Science Festival, WA Police Expo, the RACI Bayliss Youth Lecture Series, and other science activities.

We held our biennial Open Day in October 2019. On the day, over 4000 visitors took the opportunity to see behind the scenes at our laboratories and learn more about the work we do. Also our own Superstar of STEM, Dr Kari Pitts, forensic scientist and mineralogist, featured in a State-wide [Take 2 STEM](#) digital campaign designed to encourage secondary students to study STEM subjects in preparation for future jobs in Western Australia's fast-growing industries.



# 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 26% to the delivery of statutory services for government and 74% to fee-for-services activities delivered to government and private sectors.

Government Goal	Desired Outcome	Services
<b>Strong Communities:</b> Safe communities and supported families	<b>Quality Scientific advice</b> <u>Key Effectiveness Indicators:</u> Client satisfaction Proficiency rating for the accredited services  <b>Quality emergency response</b> <u>Key Effectiveness Indicators:</u> Average Mobilisation Time for emergency response incidents Availability of Emergency Response workforce to meet agreed inter-agency requirements	<b>Service 1:</b> <b>Commercial and scientific information and advice</b> <u>Key Efficiency Indicator:</u> Average cost of providing commercial scientific information and advice per applicable FTE  <b>Service 2:</b> <b>Emergency response management</b> <u>Key Efficiency Indicator:</u> Average cost to maintain an emergency response capability per Western Australian
<b>Future Jobs and Skills:</b> Grow and diversify the economy, create jobs and support skills development	<b>Quality research and development</b> <u>Key Effectiveness Indicators:</u> Client satisfaction Contribution to scientific forum	<b>Service 3:</b> <b>Research and development</b> <u>Key Efficiency Indicator:</u> Publications per R&D FTE

## SHARED RESPONSIBILITIES WITH OTHER AGENCIES

ChemCentre's Emergency Response Service is largely delivered in support of the Department of Fire and Emergency Services. ChemCentre also provides an extensive forensic science service to the WA Police and the Office of the State Coroner.





# AGENCY PERFORMANCE





## 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 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Summary of Consolidated Account Appropriations 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 2020 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 Responsibility 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 entity'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.

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

#### **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 2020.

##### **The Board's responsibilities**

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

##### **Auditor General's responsibilities**

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





An assurance engagement 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 non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

#### **Report on the 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators 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 2020.

##### **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 entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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 2020 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 contact the entity to confirm the information contained in the 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  
27 August 2020

## FINANCIAL STATEMENTS

### CERTIFICATION OF FINANCIAL STATEMENTS

For the reporting period ended 30 June 2020

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 2020 and the financial position as at 30 June 2020.

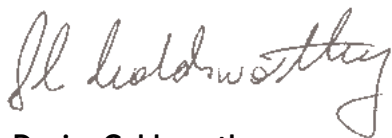
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



**Stefan Anicic**  
Chief Finance Officer  
27 August 2020



**Peter McCafferty**  
Chief Executive Officer  
27 August 2020



**Denise Goldsworthy**  
Chair  
ChemCentre Board  
27 August 2020



**Colin Murphy**  
Chair  
Finance, Audit & Risk Management Committee  
Member of ChemCentre Board  
27 August 2020

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

### INCOME

#### Revenue

Provision of Services

Interest Revenue

Other Revenue

#### Total Income

### COST OF SERVICES

#### Expenses

Employee benefits expense

Supplies and services

Depreciation and amortisation expense

Finance cost

Accommodation expenses

Other expenditures

#### Total cost of services

Loss before Income from State Government

Service appropriation

Loss before income tax expense

Income Tax Expense

Loss after income tax expense

#### Loss for the period

#### Total Comprehensive Income for the Period

Notes	2020 \$000	2019 \$000
4.2	20,971	18,721
4.3	49	66
4.4	33	10
	<u>21,053</u>	<u>18,797</u>
3.1(a)	15,358	14,815
3.2	1,784	1,570
5.1.1, 5.2.1 & 5.3.1	1,708	1,443
7.2	3	-
3.2	6,519	5,663
3.2	4,625	4,488
	<u>29,997</u>	<u>27,979</u>
	(8,944)	(9,182)
4.1	<u>8,008</u>	<u>6,727</u>
	(936)	(2,455)
9.11	<u>105</u>	<u>55</u>
	<u>(831)</u>	<u>(2,400)</u>
	(831)	(2,400)
	<u>(831)</u>	<u>(2,400)</u>

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.



## STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

### ASSETS

#### Current Assets

Cash and cash equivalents

Prepayments

Receivables

#### Total Current Assets

#### Non-Current Assets

Property, plant and equipment

Right-of-use assets

Intangible assets

Sinking fund

Deferred tax asset

Total Non-Current Assets

#### TOTAL ASSETS

### LIABILITIES

#### Current Liabilities

Payables

Lease liabilities

Provisions

Other current liabilities

Contract liability

#### Total Current Liabilities

Notes	2020 \$000	2019 \$000
7.3	3,964	2,129
6.2	182	302
6.1	1,666	1,885
	<u>5,812</u>	<u>4,316</u>
5.1	6,619	5,898
5.2	120	-
5.3	612	291
6.3	2,152	2,700
9.11	1,291	1,153
	<u>10,794</u>	<u>10,042</u>
	<u>16,606</u>	<u>14,358</u>
6.3	1,371	1,161
7.1.1	51	0
3.1(b)	2,579	2,459
6.4.1	-	646
6.4.2	489	-
	<u>4,490</u>	<u>4,266</u>

**Non-Current Liabilities**

Lease liabilities

Provisions

Deferred tax liability

**Total Non-Current Liabilities****TOTAL LIABILITIES****NET ASSETS****EQUITY**

Contributed equity

Accumulated deficit

**TOTAL EQUITY**

Notes	2020	2019
	\$000	\$000
7.1.1	59	-
3.1(b)	1,477	1,259
9.11	36	-
	1,572	1,259
	6,062	5,525
	10,544	8,833
9.9	16,026	13,526
	(5,482)	(4,693)
	10,544	8,833

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

### ASSETS

#### Balance at 1 July 2018

Total Comprehensive Income for the year

Transactions with owners in their capacity as owners:

Capital appropriation

#### Total

#### Balance at 30 June 2019

#### Balance at 1 July 2019

Initial application of AASB 15

Initial application of AASB 16

Restated balance as at 1 July 2019

Total Comprehensive Income for the year

Transactions with owners in their capacity as owners:

Capital appropriation

#### Total

#### Balance at 30 June 2020

Notes	Contributed Equity \$000	Accumulated Deficit \$000	Total Equity \$000
	11,026	(2,293)	8,733
		(2,400)	(2,400)
	2,500		2,500
	<b>2,500</b>	<b>(2,400)</b>	<b>100</b>
	<b>13,526</b>	<b>(4,693)</b>	<b>8,833</b>
9.9	<b>13,526</b>	<b>(4,693)</b>	<b>8,833</b>
6.4.2		45	45
		(3)	(3)
	<b>13,526</b>	<b>(4,651)</b>	<b>8,875</b>
		(831)	(831)
	2,500		2,500
	<b>2,500</b>	<b>(831)</b>	<b>1,669</b>
9.9	<b>16,026</b>	<b>(5,482)</b>	<b>10,544</b>

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

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

### CASH FLOWS FROM STATE GOVERNMENT

Service and capital appropriations

**Net cash provided by State Government**

### CASH FLOWS FROM OPERATING ACTIVITIES

#### Receipts

Provision of services

GST receipts on services

Drawdown from sinking fund

#### Payments

Employee benefits

Accommodation

Finance costs

GST payments on purchases

GST payments to taxation authority

Other payments

**Net cash (used in) operating activities**

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of non-current physical assets

**Net cash (used in) investing activities**

Notes	2020 \$000	2019 \$000
	10,508	9,227
	10,508	9,227
	21,111	19,103
	2,111	1,910
	548	-
	(14,838)	(14,684)
	(6,610)	(5,735)
	(3)	-
	(1,304)	(1,184)
	(828)	(649)
	(6,282)	(6,140)
7.3.2	(6,095)	(7,379)
	(2,514)	(2,505)
	(2,514)	(2,505)



Notes	2020	2019
	\$000	\$000
	(64)	-
	(64)	-
	1,835	(657)
	2,129	2,786
	3,964	2,129

## CASH FLOWS FROM FINANCING ACTIVITIES

Principal elements of lease

### Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of period

## CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD

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

## SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS

For the year ended 30 June 2020

### Delivery of Services

Item 66 Net amount appropriated to deliver services

Section 25 Transfer of service appropriation

Amount Authorised by Other Statutes

*Salaries and Allowances Act 1975*

### Total appropriations provided to deliver services

### Capital

Item 133 Capital Appropriations

### GRAND TOTAL

2020 Budget Estimate	2020 Supplementary Funding	Revised Budget	2020 Actual	2020 Variance
\$000	\$000	\$000	\$000	\$000
5,043	2,714	7,757	7,757	-
-	-	-	-	-
251	-	251	251	-
<b>5,294</b>	<b>2,714</b>	<b>8,008</b>	<b>8,008</b>	<b>-</b>
2,500	-	2,500	2,500	-
<b>7,794</b>	<b>2,714</b>	<b>10,508</b>	<b>10,508</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

### 1. Basis 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 27 August 2020.

### 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.

### Basis 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).

### 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 9.9 'Equity'.

## 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: Commercial and Scientific Information and Advice

Service 2: Emergency Response Management

Service 3: Research and development

## 2.2 Schedule of income and expenses by service

	Service 1 Scientific Information and Advice	Service 1 Scientific Information and Advice	Service 2 Emergency Response Management	Service 2 Emergency Response Management	Service 3 Research and development	Service 3 Research and development	Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>COST OF SERVICES</b>								
<b>Expenses</b>								
Employee benefits expense	13,181	12,581	1,019	1,058	1,158	1,176	15,358	14,815
Supplies and services	1,531	1,333	118	112	135	125	1,784	1,570
Depreciation and amortisation expense	1,466	1,225	113	103	129	115	1,708	1,443
Finance Cost	3	-	-	-	-	-	3	-
Accommodation expenses	5,595	4,809	432	404	492	450	6,519	5,663
Other expenses	3,520	3,312	307	320	798	856	4,625	4,488
<b>Total cost of services</b>	<b>25,296</b>	<b>23,260</b>	<b>1,989</b>	<b>1,997</b>	<b>2,712</b>	<b>2,722</b>	<b>29,997</b>	<b>27,979</b>
<b>Income</b>								
Provision of services	17,934	17,476	1,500	-	1,537	1,245	20,971	18,721
Interest Revenue	49	66	-	-	-	-	49	66
Other Income	33	10	-	-	-	-	33	10
<b>Total income other than income from State Government</b>	<b>18,016</b>	<b>17,552</b>	<b>1,500</b>	<b>-</b>	<b>1,537</b>	<b>1,245</b>	<b>21,053</b>	<b>18,797</b>
<b>NET COST OF SERVICES</b>	<b>(7,280)</b>	<b>(5,708)</b>	<b>(489)</b>	<b>(1,997)</b>	<b>(1,175)</b>	<b>(1,477)</b>	<b>(8,944)</b>	<b>(9,182)</b>
<b>INCOME FROM STATE GOVERNMENT</b>								
Net Appropriation from State Government	6,344	3,252	489	1,997	1,175	1,477	8,008	6,727
<b>Total income from State Government</b>	<b>6,344</b>	<b>3,252</b>	<b>489</b>	<b>1,997</b>	<b>1,175</b>	<b>1,477</b>	<b>8,008</b>	<b>6,727</b>
<b>Loss before income tax equivalents expense</b>	<b>(936)</b>	<b>(2,455)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(936)</b>	<b>(2,455)</b>
Income tax equivalent benefit	105	55	-	-	-	-	105	55
<b>Loss for the period</b>	<b>(831)</b>	<b>(2,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(831)</b>	<b>(2,400)</b>

### 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 accounting 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:

	Notes	2020 \$000	2019 \$000
Employee benefits expense	3.1(a)	15,358	14,815
Employee benefits provision	3.1(b)	4,056	3,718
Other Expenditure	3.2	12,928	11,721

#### 3.1(a) Employee benefits expenses

	2020 \$000	2019 \$000
3.1. Employee benefits expense	12,262	11,841
Wages and salaries	1,359	1,348
Superannuation – defined contribution plans(a)	554	466
Long service leave	1,183	1,160
Annual leave	15,358	14,815

(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.

### 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.

	2020 \$000	2019 \$000
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave (a)( c)	1,389	1,230
Long service leave (b)( c)	1,055	1,099
	<u>2,444</u>	<u>2,329</u>
<u>Other provisions</u>		
Employment on-costs (c)	135	130
Total current employee related provisions	<u>2,579</u>	<u>2,459</u>
<b>Non-current</b>		
<u>Employee benefit provisions</u>		
Long service leave (b)( c)	<u>1,400</u>	<u>1,193</u>
<u>Other provisions</u>		
Employment on-costs(c)	77	66
Total Non-current employee related provisions	<u>1,477</u>	<u>1,259</u>
<b>Total employee related provisions</b>	<u>4,056</u>	<u>3,718</u>

(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:

	2020 \$000	2019 \$000
Within 12 months of the end of the reporting period	986	918
More than 12 months after the end of the reporting period	403	312
	<u>1,389</u>	<u>1,230</u>

(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:

	2020 \$000	2019 \$000
Within 12 months of the end of the reporting period	405	442
More than 12 months after the end of the reporting period	2,050	1,850
	<u>2,455</u>	<u>2,292</u>

(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'.



### 3.2 Other expenditures

#### Supplies and Services

	2020	2019
	\$000	\$000
Communications	6	6
Consumables	1,709	1,483
Materials	19	19
Travel	50	62
	1,784	1,570

#### Accommodation expenses

Property Rent	4,369	4,357
Property Outgoings	639	641
Repairs and maintenance	961	96
Utilities	550	569
	6,519	5,663

#### Other expenses

	2020	2019
	\$000	\$000
Equipment repairs and maintenance	1,170	954
IT & Network Maintenance	129	95
Laboratory & Department of Mines and Petroleum Services	686	530
Postage, Printing and Stationery	150	183
Payments to Cooperative Research Centres	449	409
Motor Vehicle	14	37
Expected Credit Losses Expense	11	-
Payroll Tax	842	833
Consultant Fees	431	606
Staff training and miscellaneous staff expenses	158	206
Other minor Expenses	585	635
	4,625	4,488

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

**Accommodation expenses:** Lease payments to Government Office Accommodation are not within scope of *AASB 16 Leases* and are expensed as incurred. Utility, property outgoing, repairs and maintenance costs are recognised as an expense as incurred.

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

**Expected credit losses** is an allowance of trade receivables and is measured at the lifetime expected credit losses at each reporting date. ChemCentre has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 6.1.1 Movement in the allowance for impairment of trade 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:

	Notes	2020 \$000	2019 \$000
Income from State Government	4.1	8,008	6,727
Provision of services	4.2	20,971	18,721
Interest revenue	4.3	49	66
Other revenue	4.4	33	10

### 4.1 Income from State Government

	2020 \$000	2019 \$000
<b>Service appropriation received during the period (a)</b>		
Salaries and Allowance Act 1975	251	251
Recurrent Appropriation	7,757	6,476
	<u>8,008</u>	<u>6,727</u>

(a) Service Appropriations are recognised as revenues at fair value in the period in which ChemCentre gains control of the appropriated funds at the time those funds are deposited in the bank account.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

## 4.2 Revenue from provision of service

	2020 \$000	2019 \$000
Private Sector	7,213	6,825
State Government Sector	13,758	11,896
	<u>20,971</u>	<u>18,721</u>

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when ChemCentre transfers control of the services to customers. Revenue is recognised for the major activities as follows:

- Routine chemical analyses revenue is recognised at a point-in-time. Performance obligations for these fees and charges are satisfied when the reporting of testing results is provided to the client.
- Revenue for services and funding agreed to on an annual MOU basis with other State Government Agencies is recognised over time. This represents the series of services provided over the financial year and the agreed performance obligations being met over time.
- Research activity revenue recognition is assessed on a case by case basis and is dependent on the terms of the project agreement, funding arrangements including right to receive payment for research performance to date and the nature of services being performed. For each obligation, ChemCentre determines whether the obligation would be satisfied over time or at a point in time. For an obligation that is satisfied over time ChemCentre recognises revenue in line with its measurement of progress towards complete satisfaction of the obligation. This measurement may be based on observable output methods such as milestones achieved or on input methods such as labour hours expended, or resources consumed.

#### 4.3 Interest revenue

	2020	2019
	\$000	\$000
Interest Revenue	49	66
	49	66

#### 4.4 Other revenue

	2020	2019
	\$000	\$000
Revenue received free of charge <sup>(a)</sup>	23	-
Salary Packaging recoveries	10	10
	33	10

(a) Relates to service provided by volunteers for ChemCentre Open Day and the administration service provided by Department of Finance to manage the accommodation lease with landlord.

Where assets or services have been received free of charge or for nominal cost, ChemCentre recognises income 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.

## 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	2020 \$000	2019 \$000
Property, plant and equipment	5.1(a)	6,619	5,898
Right-of-use assets	5.1(b)	120	-
Intangibles	5.2	612	291
<b>Total key assets</b>		<b>7,351</b>	<b>6,189</b>

### 5.1 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	Work in progress	Total \$000
<b>2019</b>				
Carrying amount 1 July 2018	4,408	306	-	4,714
Additions	2,194	126	-	2,320
Disposals	-	-	-	-
Depreciation	(997)	(139)	-	(1,136)
Carrying amount at end of year	5,605	293	-	5,898



## 2020

Carrying amount 1 July 2019  
 Transfers  
 Additions  
 Disposals  
 Depreciation

Carrying amount at end of year

Plant & scientific equipment	Office equipment	Work in progress	Total
\$000	\$000		\$000
5,605	293	-	5,898
(6)	-	-	(6)
1,291	197	660	2,148
(39)	-	-	(39)
(1,237)	(145)	-	(1,382)
5,614	345	660	6,619

### 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 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 charge for the period

	2020	2019
	\$000	\$000
Plant, equipment and vehicles	1,237	997
Office Equipment	145	139
<b>Total depreciation for the period</b>	<b>1,382</b>	<b>1,136</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.

### 5.2 Right-of-use assets (ROU)

	2020	2019
	\$000	\$000
Right-of-use assets	-	-
Accommodation	68	-
Vehicles	52	-
<b>Net carrying amount at 30 June 2020</b>	<b>120</b>	<b>-</b>

Additions to right-of-use assets during the 2020 financial year were \$3,382

#### Initial recognition

Right-of-use assets are measured at cost including the followings:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs; and
- Restoration costs including dismantling and removing the underlying assets

#### Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

## Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

If ownership of the leased asset transfer to the Agency at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1

### 5.2.1 Depreciation charge of ROU

	2020	2019
	\$000	\$000
Depreciation expense of right-of-use assets	64	-
Lease interest expense (included in Finance cost)	3	-
Total amount recognised in the statement of comprehensive income	67	-

The total cash outflow for leases in 2020 was \$66,249

The agency's leasing activities and how these are accounted for has been outlined below.

The agency has leases for vehicles and buildings recognised under AASB 16.

The agency has also entered into a Memorandum of Understanding Agreements with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

Up to 30 June 2019, the Agency classified leases as operating leases. From 1 July 2019, the Agency recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.1.

## 5.3 Intangible assets

Laboratory Information Management System software development

	2020	2019
	\$000	\$000
At cost	3,955	3,409
Accumulated amortisation	(3,343)	(3,118)
Carrying amount at end of year	612	291
Reconciliation		
Computer software		
Opening Carrying amount	291	459
Transfers	6	-
Additions	577	158
Disposals	-	(19)
Amortisation expense	(262)	(307)
Carrying amount at end of year	612	291

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 that is not integral to the operation of any related hardware.

### Computer software

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

### 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.

#### 5.3.1. Amortisation charge for the period

	2020	2019
	\$000	\$000
Software	262	307
<b>Total depreciation and amortisation</b>	<b>262</b>	<b>307</b>

## 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	2020	2019
		\$000	\$000
Receivables	6.1	1,666	1,885
Other assets	6.2	3,625	4,155
Payables	6.3	1,371	1,161
Other liabilities	6.4	489	646

### 6.1 Receivables

#### Current

Receivables Trading <sup>(a)</sup>	856	1,289
Allowance for Impairment of Trade Receivables	(18)	(9)
Contract Assets	581	379
GST Receivable	247	226
<b>Total current receivables</b>	<b>1,666</b>	<b>1,885</b>

(a) Prior year figure has been corrected by reducing the receivables by \$379,000 which were incorrectly included. Refer to Note 6.4.1.

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.

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

	2020	2019
	\$000	\$000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	(9)	(9)
Amounts written off during the year	1	-
Expected credit losses expense	(10)	-
Amount recovered during the period	-	-
Balance at end of period	(18)	(9)

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 impairment of trade receivables is raised when there is objective evidence that ChemCentre will not be able to fully collect a debt and is otherwise based on historical credit loss experience for trade receivables used to estimate the lifetime expected credit losses.

### 6.2 Other assets

	2020	2019
	\$000	\$000
<b>Current</b>		
Prepayment	182	302
	182	302
<b>Non-current</b>		
Sinking fund	2,152	2,700
Deferred tax assets	1,291	1,153
	3,443	3,853

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.

The Sinking Fund represents the accumulation of a \$0.255m annual bond paid to the landlord i.e. Curtin to provide for required building maintenance as set out in the lease contract. It is refundable upon ChemCentre vacating the premises after offsetting the cost of any remediation to the premises required.

As a National Tax Equivalent Regime (NTER) registered Government organisation, ChemCentre applies all relevant taxation laws applicable to private business. Deferred tax assets represent mainly the timing difference of employment entitlements.

### 6.3 Payables

	2020	2019
	\$000	\$000
<b>Current</b>		
Trade payables	412	230
GST Payable	166	144
Accrued Expenses	726	713
Accrued Superannuation	67	74
	1,371	1,161

#### 6.4.1 Other liabilities

##### Current

Revenue Received in Advance <sup>(a)</sup>	-	646
	-	646

(a) Prior year figure has been corrected by reducing the other liabilities by \$379k which were incorrectly included.

#### 6.4.2 Contract Liability

Opening Balance	646	-
Initial Application of AASB 15	(45)	-
Restated balance as at 1 July 2019	601	-
Additions	1,290	-
Revenue Recognised in the reporting period	(1,402)	-
Closing balance at the end of the period	489	-

ChemCentre's contract liabilities relate to payments for research activities and contracted analytical work yet to be performed at the end of the reporting period.

## 7. Financing

### 7.1 Lease liabilities

	2020	2019
	\$000	\$000
Current	51	-
Non-current	59	-
	110	-

The agency measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at the date. The lease payments were discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Agency uses the incremental borrowing rate provided by Western Australian Treasury Corporation.

Lease payments included by the Agency as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability will be reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by ChemCentre if the lease is reasonably certain to be extended (or not terminated).

### Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

### 7.2 Finance costs

	2020	2019
	\$000	\$000
Lease interest expense	3	-
	3	-

‘Finance cost’ relates to the interest component of lease liability repayments.

### 7.3 Cash and cash equivalents

#### 7.3.1 Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2020	2019
	\$000	\$000
Cash held with Commonwealth Bank	3,474	1,482
Restricted Cash <sup>(a)</sup>	489	646
Cash on hand	1	1
	3,964	2,129

(a) Payments received in advance of work being completed



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

	Notes	2020 \$000	2019 \$000
Loss after income tax equivalents		(831)	(2,400)
Non-cash items:			
Depreciation and amortisation expense	5.1	1,708	1,443
Provision for doubtful debts	3.3	9	-
Deferred tax asset	9.11	(105)	(55)
Loss on disposal of assets	3.3	39	19
Grants and subsidies from Government	4.1	(8,008)	(6,727)
(Increase)/decrease in assets:			
Current receivables		210	634
Sinking Funds		548	(321)
Amounts receivable for services and prepayments		110	(43)
Increase/(decrease) in liabilities:			
Current payables		(14)	(148)
Accrued expenses		13	291
Employee benefits		338	185
Other Current Liabilities		(112)	(257)
Provision for tax		-	-
Net GST receipts/(payments)		(828)	(649)
Change in GST in receivables/payables		828	649
Net cash (used in) operating activities		(6,095)	(7,379)

## 8. Risks and Contingencies

This note sets out the key risk management policies.

### 8.1 Financial risk management

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

	2020 \$000	2019 \$000
<b>Financial Assets</b>		
Cash and cash equivalents	3,964	2,129
Sinking fund and receivables <sup>(a)</sup>	3,571	4,359
<b>Total financial assets</b>	<b>7,535</b>	<b>6,488</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost <sup>(b)</sup>	1,205	1,017
<b>Total financial liabilities</b>	<b>1,205</b>	<b>1,017</b>

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

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

### 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.

	Note
Initial application of Australian Accounting Standards	9.1
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Special purpose accounts	9.7
Remuneration of auditors	9.8
Equity	9.9
Supplementary financial information	9.10
Tax equivalent	9.11
Explanatory statement	9.12

### 9.1 Initial application of Australian Accounting Standards

#### *(a) AASB 15 Revenues from contract with Customers and AASB 1058 Income of Not-for-Profit Entities*

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, ChemCentre derives income from appropriations which are recognised under AASB 1058. AASB 1058 is applied to Not-for-Profit Entities for recognising income that is not revenue from contracts with customers. Timing of income recognition under AASB 1058 depends 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) recognised by ChemCentre.

ChemCentre adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach, and ChemCentre will recognise the cumulative effect of initially applying the standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 January 2019).

Under this transition method, ChemCentre will elect to apply the Standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to Note 4.2 for the revenue and income accounting policies adopted from 1 July 2019. The effect of adopting AASB 15 and AASB 1058 are as follows:

	30 June 2020	Adjustments	30 June 2020 Under AASB 118 & 1004
	\$000	\$000	\$000
Revenue from Provision of Services	20,971	(67)	21,038
<b>Net result</b>	<b>20,971</b>	<b>(67)</b>	<b>21,038</b>

#### **(b) AASB 16 Leases**

AASB 16 *Leases* supersedes AASB 117 *Leases* and related interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short-term leases (lease terms of 12 month or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The opening lease and finance lease distinction for lessees no longer exists.

Under AASB 16, ChemCentre takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a) Right of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate on 1 July 2019;
- b) Depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
- c) The total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

ChemCentre measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the Agency is not in possession of any concessionary leases at the date of transition.

Right-of-use assets are assessed for impairment at the date of transition and has not identify any impairment to its right-of-use assets.

On transition, the agency has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

- A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics
- The Agency has relied on its assessment of whether leases are onerous applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application as an alternative to performing an impairment review. The agency has adjusted the right-of-use asset at 1 July 2019 by the amount of any provision included for onerous leases recognised in the statement of financial position at 30 June 2019;
- Where the lease term at initial application ended within 12 months, the Agency has accounted for these as short-term leases;
- Initial direct costs have been excluded from the measurement of right-of-use asset;
- Hindsight has been used to determine if the contract contains options to extend or terminate the lease.

ChemCentre has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

<b>a. Measurement of lease liabilities</b>	<b>\$000</b>
Operating Lease Commitments disclosed as at 30 June 2019	52,386
Less: lease not within the scope of AASB 16	52,300
Add: lease previously not recognised	90
<b>Lease liability as at 30 June 2019</b>	<b>176</b>
Discounted using incremental borrowing rate at date of initial application <sup>1</sup>	171
<b>Lease liability recognised at 1 July 2019</b>	<b>171</b>
Current lease liabilities	58
Non-current lease liabilities	113

<sup>1</sup> The WATC incremental borrowing rate was used for the purpose of calculating the lease transition opening balance.

## 9.2 Future impact of Australian Accounting Standards not yet operative

The agency cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI1101. Where applicable, the Agency plans to apply the following Australian Accounting Standards from their application date.

		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.</p> <p>The agency does not manage any public private partnership that is within the scope of the Standard.</p>	1 Jan 2020
AASB 2018-6	<p><i>Amendments to Australian Accounting Standards – Definition of a Business</i></p> <p>The Standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.</p> <p>There is no financial impact.</p>	1 Jan 2020
AASB 2018-7	<p><i>Amendments to Australian Accounting Standards- Definition of Material</i></p> <p>The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.</p> <p>There is no financial impact.</p>	1 Jan 2020
AASB 2019-1	<p><i>Amendments to Australian Accounting Standards- Reference to the Conceptual Framework</i></p> <p>This Standard sets out amendments to Australian Accounting Standard, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting by the AASB.</p> <p>There is no financial impact.</p>	1 Jan 2020



AASB 2019-2 *Amendments to Australian Accounting Standards -Implementation of AASB 1059*

This Standard makes amendments to AASB 16 and AASB 1059 to : a) amend the modified retrospective method set out in paragraph C4 of AASB 1059; (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059; and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059.

1 Jan 2020

The agency does not maintain any public private partnership that is within the scope of this Standard.

AASB 2020-1 *Amendments to Australian Accounting Standards -Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

1 Jan 2022

There is no financial impact.

### 9.3 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 (\$)	2020	2019
0 - 10,000 <sup>(a)</sup>	2	1
10,001 – 20,000	4	4
20,001 – 30,000	1	1
30,001 – 40,000	1	1
	2020	2019
	\$000	\$000
Short term employee benefits	\$121	\$121
Post employment benefits	\$12	\$12
<b>Total compensation of members of the accountable authority</b>	<b>\$133</b>	<b>\$133</b>

<sup>(a)</sup> A Board member retired part way through 2019-20.

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 (\$)	2020	2019
150,001 – 160,000	1	1
200,001 – 210,000	2	2
230,001 – 240,000	1	-
240,001 – 250,000	-	1
	2020	2019
	\$000	\$000
Short term employee benefits	768	768
Post employment benefits	89	89
Other long term benefits	(51)	(52)
<b>Total compensation of senior officers</b>	<b>\$806</b>	<b>\$805</b>

### 9.4 Related party transactions

ChemCentre is a wholly owned public-sector entity that is controlled by 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 9.9);
- superannuation payments to GESB (Note 3.1(a));
- lease rentals payments to the Department of Finance (Government Office Accommodation and State Fleet) (Note 3.2);
- insurance payments to the Insurance Commission and Risk Cover fund (Note 3.2);
- payment for payroll services provided by Department of Mines, Industry Regulation & Safety (Note 3.2);
- remuneration for services provided by the Auditor General (Note 9.8).

### 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.

### 9.5 Related bodies

ChemCentre does not have any related bodies.

### 9.6 Affiliated bodies

ChemCentre does not have any affiliated bodies.

### 9.7 Special purpose accounts

ChemCentre does not operate any special purpose accounts.

### 9.8 Remuneration of auditors

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

	2020	2019
	\$000	\$000
Auditing the accounts, financial statements, controls, and key performance indicators	48	48

### 9.9. 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.

	2020	2019
	\$000	\$000
<b>Contributed equity</b>		
Balance at the start of the year	13,526	11,026
Contributions by owners		
Equity Contribution	2,500	2,500
<b>Total contributions by owners</b>	<b>16,026</b>	<b>13,526</b>
<b>Balance at end of year</b>	<b>16,026</b>	<b>13,526</b>
<b>Retained earnings</b>		
Balance at start of year	(4,693)	(2,293)
Initial application of AASB 15	45	-
Initial application of AASB 16	(3)	
Restated balance as start of year	(4,651)	(2,293)
Result for the year	(831)	(2,400)
<b>Balance at end of year</b>	<b>(5,482)</b>	<b>(4,693)</b>
<b>Total equity at end of year</b>	<b>10,544</b>	<b>8,833</b>



## 9.10 Supplementary financial information

### (a) Write-offs

During the financial year, the following was written off the agency's asset register after impairment test under the authority of:

	2020	2019
	\$000	\$000
The Accountable Authority	3	-
The Minister	-	-
	<b>3</b>	

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

	2020	2019
	\$000	\$000
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	<b>-</b>	<b>-</b>

### (c) Gifts of public property

	2020	2019
	\$000	\$000
Gifts of public property provided by the agency	-	-
	<b>-</b>	<b>-</b>

## 9.11. Taxation Equivalent

### (a) Income tax expense

Current income tax

Deferred tax

Prior year under/(over) provision

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

### (b) Reconciliation of income tax expense

Profit from continuing operations before income tax expense

Tax equivalent at the Australian tax rate of 30%

Tax effect of amounts which are not deductible /(taxable) in calculating taxable income:

Tax Loss not to be recognised

Entertainment

Prior year over provision

### (c) Current tax liability

Opening balance as at 1 July 2018

Prior year under/(over) provision

Closing balance as at 30 June 2019

2020	2019
\$000	\$000
-	-
(105)	(55)
-	-
(105)	(55)
(936)	(2,455)
(281)	(737)
175	679
1	3
-	-
(105)	(55)
-	-
-	-
-	-

**(d) Deferred tax assets**

Provision for doubtful debts  
 Accrued expenses  
 Provision for employee entitlements  
 Right-of-Use leasing liabilities

**Deferred tax liabilities**

Prepayment  
 Right-of-Use leasing assets

Net deferred tax balance

2020	Income Tax (expense)/ benefit 2020	Opening adjustment through retained earnings: AASB 16	2019
\$000	\$000		\$000
5	4	-	1
36	(1)	-	37
1,217	102	-	1,115
33	(19)	52	-
1,291	86	52	1,153
-	-	-	-
(36)	19	(55)	-
(36)	19	(55)	-
1,255	105	(3)	1,153

(d) Deferred tax assets not recognised

Deferred tax assets have not been recognised in relation to the following matters:

Non-refundable carry forward R&D tax offsets

Carried forward tax losses

2020	2019
\$000	\$000
-	703
1,717	1,542
1,717	2,245

**9.12. Explanatory statement**

All variance between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for selected major variances which are generally greater than 10% and \$1 million for the Statement of Comprehensive Income, Cash Flows, and the Statement of Financial Position.



## STATEMENT OF COMPREHENSIVE INCOME VARIANCES

For the year ended 30 June 2020

### INCOME

#### Revenue

Provision of Services

Interest Revenue

Other Revenue

#### Total Income

### EXPENSES

#### Expenses

Employee benefits expense

Supplies and services

Depreciation and amortisation expense

Accommodation expenses

Finance and interest costs

Other expenses

#### Total expenses

Variance Note	Original Budget	Actual	Actual	Variance between budget and actual	Variance between actual results for 2020 and 2019
	2020	2020	2019		
	\$000	\$000	\$000	\$000	\$000
a	21,150	20,971	18,721	(179)	2,250
	59	49	66	(10)	(17)
	-	33	10	33	23
	21,209	21,053	18,797	(156)	2,256
	15,116	15,358	14,815	242	543
	2,562	2,998	2,712	436	286
1	5,180	1,708	1,443	(3,472)	265
1	1,415	6,519	5,663	5,104	856
1	1,500	3	-	(1,497)	3
	3,024	3,411	3,346	387	65
	28,797	29,997	27,979	1,200	2,018



Loss before grants and subsidies from State Government

Service appropriation

Profit/(loss) before income tax expense

Income tax benefit/ (expense)

Profit/(loss) after income tax expense

**Profit/(loss) for the period**

**Total comprehensive income for the period**

Variance Note	Original Budget	Actual	Actual	Variance between budget and actual	Variance between actual results for 2020 and 2019
	2020	2020	2019		
	\$000	\$000	\$000	\$000	\$000
	(7,588)	(8,944)	(9,182)	(1,356)	238
2,b	5,294	8,008	6,727	2,714	1,281
	(2,294)	(936)	(2,455)	(1,358)	(1,519)
	-	105	55	(105)	50
	(2,294)	(831)	(2,400)	1,463	1,569
	(2,294)	(831)	(2,400)	1,463	1,569
	(2,294)	(831)	(2,400)	1,463	1,569

## STATEMENT OF FINANCIAL POSITION VARIANCES

As at 30 June 2020

### ASSETS

#### Current Assets

Cash and cash equivalents

Prepayments

Receivables

#### Total Current Assets

#### Non-Current Assets

Property, plant and equipment

Right-of-use assets

Intangible assets

Sinking Fund

Deferred Tax Asset

#### Total Non-Current Assets

#### TOTAL ASSETS

Variance Note	Original Budget	Actual	Actual	Variance between budget and actual	Variance between actual results for 2020 and 2019
	2020	2020	2019		
	\$000	\$000	\$000	\$000	\$000
	2,288	3,964	2,129	1,676	1,835
	258	182	302	(76)	(120)
	2,463	1,666	1,885	(797)	(219)
	5,009	5,812	4,316	803	1,496
	6,476	6,619	5,898	143	721
1	32,153	120	-	(32,033)	120
	353	612	291	259	321
	3,005	2,152	2,700	(853)	(548)
	1,255	1,291	1,153	36	138
	43,242	10,794	10,042	(32,448)	752
	48,251	16,606	14,358	(31,645)	2,248



Variance Note	Original Budget	Actual	Actual	Variance between budget and actual	Variance between actual results for 2020 and 2019
	2020	2020	2019		
	\$000	\$000	\$000	\$000	\$000

## LIABILITIES

### Current Liabilities

Payables		855	1,371	1,161	(516)	210
Provisions		2,450	2,579	2,459	(129)	120
Borrowings and leases	1	2,879	51	-	2,828	51
Other current liabilities		-	-	646	-	(646)
Contract liability		1,237	489	-	748	489
<b>Total Current Liabilities</b>		<b>7,421</b>	<b>4,490</b>	<b>4,266</b>	<b>2,931</b>	<b>224</b>

### Non-Current Liabilities

Provisions		1,083	1,477	1,259	(394)	218
Borrowings and leases	1	29,943	59	-	29,884	59
Deferred Tax Liability		-	36	-	(36)	36
<b>Total Non-Current Liabilities</b>		<b>31,026</b>	<b>1,572</b>	<b>1,259</b>	<b>29,454</b>	<b>313</b>

### TOTAL LIABILITIES

### NET ASSETS

	38,447	6,062	5,525	32,385	537
	9,804	10,544	8,833	(740)	1,711

## EQUITY

Contributed equity		16,026	16,026	13,526	-	2,500
Retained earnings		(6,222)	(5,482)	(4,693)	(740)	(789)

### TOTAL EQUITY

	9,804	10,544	8,833	(740)	1,711
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## STATEMENT OF CASH FLOWS VARIANCES

For the year ended 30 June 2020

### CASH FLOWS FROM STATE GOVERNMENT

Service and capital appropriations

**Net cash provided by State Government**

### CASH FLOWS FROM OPERATING ACTIVITIES

#### Receipts

Provision of services

GST receipts on services

Drawdown from sinking fund

#### Payments

Employee benefits

Accommodation

GST payments on purchases

GST payments to taxation authority

Finance and interest costs

Other payments

**Net cash used in operating activities**

Variance Note	Original Budget	Actual	Actual	Variance between budget and actual	Variance between actual results for 2020 and 2019
	2020	2020	2019		
	\$000	\$000	\$000	\$000	\$000
2,b	7,794	10,508	9,227	2,714	1,281
	7,794	10,508	9,227	2,714	1,281
c	20,925	21,111	19,103	186	2,008
	1,942	2,111	1,910	169	201
	-	548	-	548	548
	(15,038)	(14,838)	(14,574)	200	(264)
1	(1,682)	(6,610)	(5,735)	(4,928)	(875)
	(1,073)	(1,304)	(1,184)	(231)	(120)
	(869)	(828)	(649)	41	(179)
1	(1,500)	(3)	-	1,497	(3)
	(5,596)	(6,282)	(6,250)	(686)	(32)
	(2,891)	(6,095)	(7,379)	(3,204)	1,284



Variance Note	Original Budget	Actual	Actual	Variance between budget and actual	Variance between actual results for 2020 and 2019
	2020	2020	2019		
	\$000	\$000	\$000	\$000	\$000

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of non-current assets

(2,500)	(2,514)	(2,505)	(14)	(9)
---------	---------	---------	------	-----

### Net cash used in investing activities

(2,500)	(2,514)	(2,505)	(14)	(9)
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## CASH FLOWS FROM FINANCING ACTIVITIES

Principal elements of lease

(2,880)	(64)	-	2,816	(64)
---------	------	---	-------	------

### Net cash from financing activities

(2,880)	(64)	-	2,816	(64)
---------	------	---	-------	------

Net increase/(decrease) in cash and cash equivalents

(477)	1,835	(657)	2,312	2,492
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Cash and cash equivalents at the beginning of period

2,765	2,129	2,786	(636)	(657)
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## CASH AND CASH EQUIVALENTS AT THE END OF PERIOD

2,288	3,964	2,129	1,676	1,835
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### **Significant variances between estimate and actual results for the financial year**

1. A recent determination confirmed that ChemCentre's office accommodation lease with the Department of Finance falls out of scope of AASB 16: *Leases*. Accordingly, this has resulted in significant variances to the budget in the statements.
2. A Treasury review to ensure sustainable financial operations of ChemCentre resulted in the ERC adopting the recommendation to increase appropriation by \$2.7m.

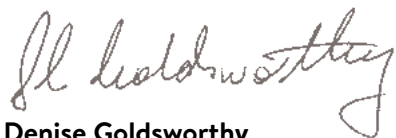
### **Significant variances between actual results for 2020 and 2019**

- a) The \$2.3m increase in Revenue from the provision of services mainly reflects the partial funding of ChemCentre's emergency response service by Department of Fire and Emergency Services (DFES) commencing in 2019-20 as well as additional revenue from other State Government agencies and research activities.
- b) A Treasury review to ensure sustainable financial operations of ChemCentre resulted in the ERC adopting the recommendation to increase appropriation by \$2.7m.
- c) Receipts from the provision of services increased by \$2m due to partial funding of ChemCentre's emergency response service by DFES and additional receipts from government and private clients.

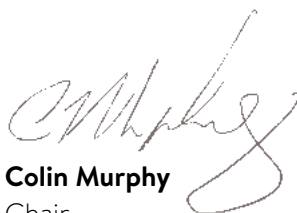
## KEY PERFORMANCE INDICATORS

### 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 2020.



**Denise Goldsworthy**  
Chair  
ChemCentre Board  
27 August 2020



**Colin Murphy**  
Chair  
Finance, Audit & Risk Management Committee  
Member of ChemCentre Board  
27 August 2020



**Peter McCafferty**  
Chief Executive Officer  
ChemCentre  
27 August 2020

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 EFFECTIVENESS INDICATORS BY OUTPUT

### DESIRED OUTCOME: QUALITY SCIENTIFIC ADVICE

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

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Client Satisfaction:</b> as determined by an annual survey of clients invited from all invoices sent out in the previous financial year above \$2,000 in value. The survey covered 204 clients with 28.4% response rate (n=58).	84%	88%	89%	89%	80%

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 2019-20 was taken at a 95% confidence level and a sampling error of  $\pm 10.91\%$ .

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Proficiency Rating for the Accredited Services:</b> 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.	92%	88%	91%	94%	95%

The Proficiency rating is a relevant measure as it demonstrates the quality of testing undertaken by ChemCentre.



## DESIRED OUTCOME: QUALITY EMERGENCY RESPONSE

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

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Average Mobilisation Time for all Emergency Response Incidents Attended:</b> as extracted from the response team logbook.	17 minutes	16 minutes	14 minutes	20 Minutes

The average mobilisation time is relevant because the quicker ChemCentre is able to mobilise to respond to a chemical-biological-radiological emergency, the lower the potential risk to the community.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Availability of Emergency Response Workforce to Meet Agreed Inter-Agency Requirements:</b> as determined by the proportion of weekly staff rosters, which provide the required number of staff with the technical capability to meet all agreed inter-agency requirements.	100%	100%	100%	100%

The indicator reflects ChemCentre's performance in maintaining the required capacity to respond to ER incidents. ChemCentre's 24/7/365 coverage is met through rosters prepared on a weekly basis, instructed by an existing workforce management plan to accommodate technical capability requirements.



## DESIRED OUTCOME: 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.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Client Satisfaction:</b> as determined by an annual survey of clients invited from R&D projects conducted over the previous financial year. 17 responses were collected from 35 survey invitations.	81%	83%	79%	83%	80%

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 2019-20 was taken at a 95% confidence level and a sampling error of  $\pm 17.29\%$ .

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Contribution to Scientific Forums:</b> as determined by the number of recognised contributions from ChemCentre staff to presentations, publications, or technical forums.	74	87	45	60

This indicator is relevant in measuring ChemCentre's contribution to knowledge, know-how and and/or Intellectual Property relevant to state development, public health and safety.



## NOTES

### DESIRED OUTCOME 1: QUALITY SCIENTIFIC ADVICE

**Client Satisfaction:** Achievement of 89% being above the target is a pleasing result. It demonstrates ChemCentre's ongoing commitment to providing quality and timely scientific services to Government and commercial enterprises.

**Proficiency Rating for the Accredited Services:** The proficiency rating of 94% is up 3% from the previous year and is considered an excellent result. The annual target of 95% remains aspirational as ChemCentre continues to maintain a focus on achieving high quality results.

### DESIRED OUTCOME 2: QUALITY EMERGENCY RESPONSE

#### **Average Mobilisation Time for all Emergency Response Incidents Attended:**

The average mobilisation time of 14 minutes is 2 minutes faster than previous year and 6 minutes faster than the target. The result reflects the high level of capability and readiness of ChemCentre's emergency responders in minimising harm to the community through rapid mobilisation to HAZMAT incidents.

#### **Availability of Emergency Response Workforce to Meet Agreed Inter-Agency**

**Requirements:** The result of 100% is in line with the prior year and target reflecting ChemCentre's commitment to the 24/7 365-day provision of an appropriately staffed emergency response team.

### DESIRED OUTCOME 3: QUALITY RESEARCH AND DEVELOPMENT

**Client Satisfaction:** The client satisfaction of 83%, up 4% from the previous year and 3% above the target of 80% is in line with ChemCentre's quality expectations and collaborative research focus.

**Contribution to Scientific Forums:** The 45 contributions for the year is 42 lower than prior year and 15 lower than the target. This is primarily due to the cancellation or deferral of a number of research conferences and activities as a result of COVID-19 as well as a higher proportion of prior year projects reaching publication stage in 2018/19.



## KEY EFFICIENCY INDICATORS BY SERVICE

### SERVICE 1: COMMERCIAL AND SCIENTIFIC INFORMATION AND ADVICE

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

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Average Cost of Providing Commercial and Scientific Information and Advice per Applicable FTE:</b> calculated by dividing the total cost of the service by the number of FTEs	\$237,000	\$228,000	\$242,000	\$240,000

### SERVICE 2: EMERGENCY RESPONSE MANAGEMENT

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

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Average Cost to Maintain an Emergency Response Capability per Western Australian:</b> as determined by the total cost of maintaining the minimum Emergency Response capability required by Government, divided by the Western Australian population	\$0.82	\$0.76	\$0.75	\$0.80

### SERVICE 3: 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.

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target
<b>Publications per R&amp;D FTE:</b> as determined by the total number of publications during the financial year, divided by the average number of full-time equivalent employees allocated to R&D projects and internal research activity within the financial year.	3.19	5.93	2.98	4



## NOTES

### SERVICE 1: COMMERCIAL AND SCIENTIFIC INFORMATION AND ADVICE

#### **Average Cost of Providing Commercial Scientific Information and Advice**

**per Applicable FTE:** The average cost per FTE for the service is \$14,000 higher than previous year and \$2,000 above target. The increase is primarily attributable to a \$0.85m drawdown from the accommodation sinking fund for building fume cupboard replacements. Excluding this once-off expenditure decreases the result to \$234,000, meeting the target and slightly higher than the prior year as a result of additional forensic testing undertaken for WA Police in 2019/20.

### SERVICE 2: EMERGENCY RESPONSE MANAGEMENT

#### **Average Cost to Maintain an Emergency Response Capability per Western**

**Australian:** The cost of the service per Western Australian is \$0.01 below previous year and \$0.05 below target primarily due to effective cost management and use of existing resources.

### SERVICE 3: RESEARCH AND DEVELOPMENT

**Publications per R&D FTE:** The number of publications per R&D FTE has decreased by 2.95 as compared to the previous year and is 1.02 below the target. This is primarily due to the cancellation or deferral of a number of research conferences and activities as a result of COVID-19 as well as a comparatively higher proportion of projects reaching publication stage in their lifecycle in the prior year.



## OTHER DISCLOSURES AND LEGAL COMPLIANCE



## CREDIT CARD – AUTHORISED USE

In accordance with the requirements of Treasurer's Instruction 321, staff that hold credit cards are reminded of their obligations and requested to acknowledge the policy and conditions of credit card use.

Two staff inadvertently used their credit card in error for minor personal expenses. The matter was promptly raised by the officers and refunded with no disciplinary action taken.

	2019/20 \$ (Exc GST)
Aggregate amount of personal use expenditure for the reporting year	59.37
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	59.37
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	-
Aggregate amount of personal use expenditure outstanding at balance date	-

## BOARD AND COMMITTEE REMUNERATION

Under S8 of the *Chemistry Act (WA) 2007* the Chair and Board members are paid a remuneration as determined by the Minister 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. As members of the Committees are also members of the Board no additional remuneration was paid to members of Committees.

The table below reports the fee paid to each eligible Board members during 2019/20 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 2020	\$35,399
Member/ Deputy Chair	David Blyth	Annual fee	1 July to 30 June 2020	\$25,379
Member	Mark Thomas	Annual fee	1 July to 30 June 2020	\$17,765
Member	Tresslyn Walmsley	Annual fee	1 July to 30 June 2020	\$17,765
Member	Ian Harrison	Annual fee	1 July to 30 June 2020	\$17,765
Deputy Chair	Lianne Cretney-Barnes	Annual fee	1 July to 31 July 2019	\$2,451
Member	Kylie Whiteley	Annual fee	1 July to 30 June 2020	Nil
Member	Colin Murphy	Annual fee	1 August to 30 June 2020	\$16,125
<b>Total</b>				<b>\$132,649</b>

## 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.

Expenditure during 2019/20 included advertising for job vacancies and conducting surveys as summarised in the table below:

Type	Organisation	2019/20 Expenditure (\$) Inc of GST
Advertising agencies	Initiative Media Australia Pty Ltd	1,211
	Facebook	113
Direct mail Organisations	N/A	Nil
Market research organisations	Survey Monkey	316
Media advertising organisations	N/A	Nil
Polling Organisations	N/A	Nil

## INFORMATION MANAGEMENT AND RECORDKEEPING PLAN

ChemCentre complies with the *State Records Act 2000* and has in place an approved Recordkeeping Plan 2019-2024 and maintains a strong commitment to meeting the requirements of the Plan for effective and efficient records management practices.

ChemCentre continuously monitors and evaluates the performance of its Records Management Systems to ensure compliance with both legislative standards and operational business requirements. During 2019/20 ChemCentre was also independently certified as meeting the requirements of the ISO 9001 2019 Standard that reflects maintenance of Quality Management Systems.

ChemCentre addresses its compliance with the State Records Commission Standard 2 Recordkeeping Plans: Principle 6- Compliance as follows.

1. *The efficiency and effectiveness of ChemCentre's Recordkeeping Plan is evaluated not less than once every five years.*

ChemCentre's reviewed its Recordkeeping Plan within the five year cycle which was approved by the State Records Commission in March 2019. Internal health checks are also regularly undertaken to ensure continuous improvements of our systems and practices.

2. *ChemCentre conducts a recordkeeping training program.*

The annual training plan and program was developed to provide ongoing information to staff on records awareness. One on one inductions on records management awareness is provided to all new staff to ensure staff understand their responsibilities and accountabilities. Regular refreshers are undertaken with good record keeping tips circulated to all staff.



3. *The efficiency and effectiveness of the recordkeeping training is reviewed from time to time.*

A review of the recordkeeping training program is undertaken every three years to ensure it is effective and efficient. A new policy and procedure tracking and publishing system notifies staff of updates as they occur.

At 30 June 2020 some 95% of employees had completed the records awareness training.

## COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

ChemCentre maintains appropriate policies and procedures that ensure adherence to s31(1) of the *Public Sector Management Act 1994*, public sector standards (in human resource management) and the WA Code of Ethics and ChemCentre's Code of Conduct. These materials are available on ChemCentre's intranet and are regularly referenced and refreshed.

In 2019-20:

Public Sector Code of Ethics – no claims lodged.

Public Sector Commissioner's Instruction – Employment Standard – one breach claim was lodged. The claim was denied by the Public Sector Commission.

Grievance Resolution Standard – one claim was lodged and resolved.

ChemCentre's Code of Conduct – four minor disciplinary matters were examined with appropriate action taken.

## ACCOUNTABLE AND ETHICAL DECISION MAKING

Training in Accountable and Ethical Decision Making (AEDM) for new and existing employees continued to be provided during the year with 97% of staff having completed training at 30 June 2020.

Awareness of employee responsibilities in the area of ethics and public sector standards was raised through newsletters, training, induction sessions, communications at staff meetings and the intranet.

In addition, every three years all staff are provided with a refresher session on declaration and receiving of gifts, benefits and hospitality, as outlined in ChemCentre's policies, focusing on maintaining integrity and ensuring public trust.

## DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

ChemCentre has embraced its latest Disability Access and Inclusion Plan (DAIP) for 2018 to 2022.

ChemCentre will continue strive to meet our plan and strategies to improve access and inclusion to people with disability.

The agency's website was recently reviewed and meets the web content accessibility guidelines with content provided in a concise manner and available in alternative formats.

The DAIP principles and outcomes are widely promoted to staff and reflected in the agency's inclusive culture and practices. Recruitment and work design is flexible to accommodate people with disability and DAIP is included in the induction program. Accessibility to events organised by ChemCentre, consultation and services is designed to allow equal opportunities for all people.



## FREEDOM OF INFORMATION

In the reporting period, ChemCentre received one third-party Freedom of Information (FOI) consultation request. Procedures and resources are provided on ChemCentre's website accordance with legislative requirements.

## WORK FORCE PLANNING AND STAFF DEVELOPMENT

ChemCentre recognises that its employees are key to organisational success and continues to place high importance on developing its workforce. This was made manifestly apparent with the onset of COVID-19 and the imperative for developing a resilient and agile workplace to effectively operate within uncertain environments.

Effective workforce planning has therefore continued to be a key focus area and strategies highlighted in the Workforce and Diversity Plan for 2018-2021 will continue to be implemented and adjusted to meet changing business requirements. The Plan also reflects our commitment to the development of a safe, supportive and inclusive culture and will remain a central document to support ChemCentre's workforce and diversity objectives, aligned with our Strategic Directions.

ChemCentre maintains a highly capable workforce and development opportunities continued to be provided in a range of science and corporate training areas.

During 2019-20 ChemCentre focused on culture and leadership programs and psychological safety in the workplace, recognising the importance of maintaining a safe environment, a shared culture, and a healthy workplace for our employees. A structured training program on Culture and Leadership for ChemCentre's leadership group began in 2020 and will continue into next financial year.

ChemCentre is applying evidence based and industry best practice guidance material for its wellbeing program. The comprehensive program will extend over the next three years to support and foster a resilient and safe workplace.

A review of ChemCentre's performance management system was completed and implemented in late 2019. A suite of training programs and workshops was provided to equip managers with further understanding of performance standards and industrial relations environment to effectively manage performance and support development. In 2020/21 this training will continue to build and will include how to provide constructive feedback and leading high-performance teams.

## INDUSTRIAL RELATIONS

All staff are employed under the *Public Sector Management Act 1994* and the *Public Sector CSA Agreement 2019*.

During the year there were no industrial relations issues and no services to the public were disrupted.

## OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

The Chief Executive Officer and senior officers have a legislated duty of care to provide a safe and healthy workplace and environment, and to ensure the safety and health of all employees, contractors and visitors as far as practical.

To support and demonstrate this commitment, ChemCentre's Occupational Safety and Health Management System (OSHMS) is structured to provide plans, actions and procedures that systematically manage health and safety in ChemCentre.

During the year, an ongoing program of safety awareness was communicated to staff that includes an OSH induction and OSH managers' training. ChemCentre also launched a program that will run for the next 3 years to assess and build the psychological health of its staff and determine the most appropriate strategies for ChemCentre's workforce. This process of psychological risk assessment applies evidence-based industry best practice.

The membership of the Occupational Safety and Health Committee includes the Chief Executive Officer, safety representatives nominated by employees, an executive appointed safety coordinator and management representative. The Committee implements a formal framework for communication, consultation and responding to safety issues in the organisation. The Committee meets bi-monthly to discuss and resolve occupational issues, review hazard and incident reports and review progress against the OSHMS Plan.

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

ChemCentre's OSHMS Plan is monitored internally and outcomes reported to the ChemCentre Board.

There were no workers' compensation claims lodged during 2019-20.

Annual performance for 2019-20 against the following targets is reflected in the table below:

Measure	Actual results <sup>(1)</sup>		Target 2019-20	Comment on result
	2018-19	2019-20		
Number of fatalities	0	0	0	Target Achieved
Lost time injury and /or disease (LTI/D) incidence rate	1.43	0	Zero (0) or 10% reduction	Target Achieved
Lost time injury and / or disease severity rate	0	0	Zero (0) or 10% reduction	Target Achieved
Percentage of injured workers returned to work:				
(i) Within 13 weeks	100%	100%	Greater than or equal to 80%	Target Achieved
(ii) Within 26 weeks				
Percentage of managers trained in occupational safety, health and injury management responsibilities	87%	92%	Greater than or equal to 80%	Target Achieved

1. This indicator examines a three year-trend and as such, the comparison base is the two years prior to the current year i.e. 2017-18 and 2018-19.



# APPENDICES

## 2019-20 PUBLICATIONS AND PRESENTATIONS

### CONFERENCE AND WORKSHOP PRESENTATIONS

**Beckett, N., Tidy, R., Douglas, B. and Priddis, C.** 2020. "Application of forensic proteomics - detection of intact insulin analogues in post-mortem vitreous humour". 25th Annual Lorne Proteomics Symposium. Melbourne, Australia.

**Black, S.** 2019. "A Study of Nano Diesel Particulate Matter (nDPM) Behaviour and Physico-chemical Changes in Underground Hard Rock Mines of Western Australia". Australian Institute of Occupational Hygienists (AIOH) Chapter Event. Perth, Western Australia.

**Black, S.** 2019. "M495 A Study of Nano Diesel Particulate Matter (nDPM) Behaviour and Physico-chemical Changes in Underground Hard Rock Mines of Western Australia". MRIWA Advisory and Theme Committees Meeting. Perth, Western Australia.

**Black, S.** 2020. "Mine Pit Lakes Project". Chamber of Minerals and Energy Environment Committee Meeting. Perth, Western Australia.

**Black, S.** 2020. "Mine Pit Lakes Project". CRC CARE Research and Technology Committee Meeting, Adelaide, South Australia.

**Black S.** 2019. "MRIWA Project M495: A Study of Nano Diesel Particulate Matter (nDPM) Behaviour and Physico-chemical Changes in Underground Hard Rock Mines of Western Australia". Nano Diesel Particulate Matter (nDPM) Industry Workshop hosted by Department of Mines, Industry Regulation and Safety (DMIRS). Perth, Western Australia.

**Black, S.** 2020. "Nano Diesel Particulates Project". Association of Mining and Exploration Companies (AMEC) "Towards a safer workplace" Seminar. Perth, Western Australia. (Invitation to present accepted, Seminar postponed due to COVID-19)

**Black, S., Sharma, R., Price, B.** and Allen, D. 2019. "Developing Risk-Based Tools to Better Predict the Impact of Lithium Mining and Processing on Ground and Surface Water Quality". Proceedings of the International Lithium and Battery Metals Conference 2019. Perth, Western Australia.

**Black, S.,** Wilkinson, S., van den Berg, L. and Manns, K. 2019. "Tracer Gas Study of Nano Diesel Particulate Matter (nDPM) Behaviour in Secondary Ventilation Practices". Proceedings of the Australian Mine Ventilation Conference 2019. Perth, Western Australia.

Caraene, I., **Linge, K. L.**, Gruchlik, Y., Wuchter, C., Coolen, M., Zahedi, A. and Joll, C. 2019. "Nitrogen cycle characterisation in wastewater: A waste stabilization pond study". 10th International Conference on Environmental Engineering and Management. Iasi, Romania.

**Dods, K.C.** 2019. "Advancing Sandalwood nut development in WA – A collaborative development pathway to Fighting Food Waste in Australia". 2019 1st Annual Fighting Food Waste Research Symposium and Annual General Meeting. Melbourne, Victoria.

**Dods, K.C.** 2019. "WA Honey Industry Research - A development pathway to industry sustainability". 2019 National Collaborative Research Symposium. Melbourne, Victoria.

Gruchlik, Y., Joll, C., Buseti, F., Liew, D., **Linge, K. L.** and Lethorn, A. 2019. "Removal of Organic Micropollutants in Selected Waste Stabilisation Ponds in Western Australia: Implications for Water Reuse." 16th Specialised Conference on Small Water and Wastewater Systems. Perth, Western Australia.

**Linge, K. L., Black, S. and Firms, G.** 2020. "Developing a Mine Pit Lakes Database to Inform Mine Closure". 2020 Goldfields Environmental Management Group conference. Kalgoorlie, Western Australia. (Abstract accepted for Oral Presentation, Conference postponed due to COVID-19)

**Pitts, K.,** Coulson, S. and Almirall, J. 2019. "Interpretation of Glass Evidence using Bayesian and Chemometrics". Multiple presentations, NIFS Workshop. Melbourne, Victoria.

**Pitts, K., DeTata, D., Dunsmore, R., Davies, M. and Sumner, N.** 2019. "ChemCentre Physical Evidence". WA Police Crime Scene Course. Perth, Western Australia.

**Pitts, K.,** van der Pal, K. J., Sauzier G., Maric, M., Bronswijk, W., Lewis, S. W., Grant, B. and Grimes, M. 2019. "The use of synchrotron and lab-based Infra-red spectroscopy and chemometrics for the analysis of paint and polymers: An Australian perspective". European Network of Forensic Science Institutes: European Paint and Glass Meeting. Prague, Czech Republic.

**Priddis, C.** 2019. "Current issues in Forensic Science". Supreme Court Education Conference. Perth, Western Australia.

Restrepo Vieira, L. H., **Linge, K. L.,** Buseti, F. and Joll, C. A. 2019. "Behaviour of Illicit Drugs and Psychopharmaceuticals in Wastewater Treatment". 11th Micropol & Ecohazard Conference. Seoul, Korea.

### CONFERENCE POSTERS:

Anderson, G., Pathan, S., Hall, D., **Sharma, R.** and Easton, J. 2019. "Impact of lime and gypsum on wheat yield and soil properties in the short and long term". WA State of the Soil Science Conference. Perth, Western Australia.

**Black, S.** 2020. "Process Legacy Sub-project 4 - Development and Validation of Risk-based Tools to Better Predict the Impact of Lithium Mining & Processing on Ground and Surface Water Quality". FBI CRC Participant Summit. Perth, Western Australia.

Caraene, I., Gruchlik, Y., Buseti, F., **Linge, K. L.** and Joll, C. A. 2019. "Degradation of selected pharmaceuticals using an enzyme-mediator system and identification of resulting transformation products". School of Molecular and Life Sciences HDR Student Symposium. Perth, Western Australia.

**Linge, K. L., Black, S.** and Allen, D. A. 2020. "Mine Pit Lakes: Geochemistry, Water Management and Legacy". 2020 Ozwater Conference. Adelaide, South Australia. (Abstract accepted for Poster Presentation, Conference cancelled due to COVID-19)

Restrepo Vieira, L., **Linge, K. L.,** Buseti, F. and Joll, C. 2020. "Behaviour of Illicit and Psychoactive Drugs in Wastewater Treatment". 2020 AWA/IWA Australia-New Zealand YWP Conference. Brisbane, Australia.

Restrepo Vieira, L., **Linge, K. L.,** Buseti, F. and Joll, C. 2019. "Behaviour of Illicit and Psychoactive Drugs in Wastewater Treatment". School of Molecular and Life Sciences HDR Student Symposium. Perth, Western Australia.

**Tidy, R.,** Goecker, Z., Le, T., Chapman, B., **Beckett, N.,** Parker, G. and **Priddis, C.** 2020. "Protein Based Human Identification". 25th Annual Lorne Proteomics Symposium. Melbourne, Australia.

### LECTURES:

**Black, S.** 2019. "Chemistry of Cyanide Solutions". Part of Training Course with CSIRO for the gold mining industry. Waterford, Western Australia.

**Black, S.** 2019. "Sampling, Preservation, Packaging, Transportation and Storage". Part of Training Course with CSIRO for the gold mining industry. Waterford, Western Australia.

**Dunsmore, R.** 2019. "Fires and Explosions". Fire Investigation Officer Refresher Course, Department of Fire & Emergency Services Academy. Forrestfield, Western Australia.

**Palmer, J.** 2020. "Toxic Industrial Chemicals". Part of ChemCentre training provided to WA Police Force Bomb Response Unit. Bentley, Western Australia.

### RESEARCH PAPERS AND REPORTS:

Anderson, G., Pathan, S., **Sharma, R.,** Hall, D. and Easton, J. 2019 "Soil solution concentrations and aluminium species of an eastern wheatbelt acidic soil of WA treated with lime and gypsum". GRDC Update Papers, <https://grdc.com.au/resources-and-publications/grdc-update-papers>

Bonnar, C., Moule, E. C., Lucas, N., Seyfang, K. E., **Dunsmore, R. P.,** Popelka-Filcoff, R. S., Redman, K. and Kirkbride, K. P. 2020. "Tandem detection of organic and inorganic gunshot residues using LC-MS and SEM-EDS". Forensic Science International (In press - accepted for publication 24th June, 2020).





Campbell, T., Dixon, K. W., **Dods, K.**, Fearn, P. and Handcock, R. 2020. "Machine Learning Regression Model for Predicting Honey Harvests". Agriculture 2020, 10(4), 118; <https://doi.org/10.3390/agriculture10040118>

Davison, E. M., **Kazemi, S.**, McDonald, S., Paton, S., Tay, F. C. S., **West, N.** and Warton, B. 2019. "Use of metham sodium to eliminate Phytophthora spp. from roading gravel". Australasian Plant Pathology, 48: pp.563–572. <https://doi.org/10.1007/s13313-019-00660-0>

**Donovan, R and Crisp, H.** 2020. "Clandestine Laboratories In Western Australia: A Retrospective Analysis". Journal of the Clandestine Laboratory Investigating Chemists Association 30 (1), pp. 8-20.

Li, X., Rao, N. R. H., **Linge, K. L.**, Joll, C. A., Khan, S. and Henderson, R. K. 2019. "An Evaluation of Measurement Techniques for Algal-derived Organic Nitrogen". Water Research, 165: pp. 114998.

Li, X., Rao, N. R. H., **Linge, K. L.**, Joll, C. A., Khan, S. and Henderson, R. K. 2020. "Formation of algal-derived nitrogenous disinfection by-products during chlorination and chloramination". Water Research, pp. 116047. <https://doi.org/10.1016/j.watres.2020.116047>

**Linge, K. L., Black, S.** and Allen, D. A. 2020. "Mine Pit Lakes: Characterisation of Water Quality and Geochemistry to Inform Mine Closure". Conference Paper prepared for the 10th Australian Workshop on Acid and Metalliferous Drainage, Dubbo, NSW. (Research Paper prepared, Conference postponed due to COVID-19)

**Linge, K. L.**, Kristiana, I., **Holman, A.**, Liew, D. and Joll, C. A. 2020. "Halogenated Semivolatile Acetonitriles as Chloramination Disinfection By-Products in Water Treatment: A New Formation Pathway from Activated Aromatic Compounds". Environmental Science: Processes & Impacts, 22: pp.653-662.

Magni, P. and **Pitts, K.** 2020. "The need for Forensic Scientists to up-skill their Sci-Comm". Journal of Forensic and Legal Medicine, Volume 73, <https://doi.org/10.1016/j.jflm.2020.101998>.

Ocampo, C.J. and Oldham C.E (**Burton, H. and Martin, A.**). 2020. "Eric Singleton Bird Sanctuary Constructed Wetland: Monitoring and assessment for optimal stormwater treatment performance". <https://bit.ly/3bGYxaF>

**Sharma, R., Black, S.**, Allen, D., Price, B., Burgers, C. and McGuire, B. 2020. "Assessing the Leaching potential of solutes from waste rocks episodically and continuously exposed to saline and hypersaline conditions". Conference Paper prepared for the 10th Australian Workshop on Acid and Metalliferous Drainage, Dubbo, NSW. (Research Paper prepared, Conference postponed due to COVID-19)

## BOOK CHAPTERS AND TECHNICAL REPORTS:

Gruchlik, Y., Liew, D., Busetti, F., **Linge, K. L.**, Zahedi, A., Ryan, U. and Joll, C. A. 2019. "Understanding Wastewater Treatment Technologies for Alternative Water Use: Transformation of Inorganic and Organic Nitrogen". Final report for ARC Linkage Project 130100602. CWQRG Report No: CWQRG-2019-006. 94 pages.

**Linge, K.** 2019. "Assessment of the Use of Carbon and Oxygen Isotopic Analysis for Dust Source Identification". Report for Department of Water and Environmental Regulation, WA. 13 pages.

**Linge, K., Pitts, K., Black, S. and Downey, A.** 2019. "Dust Deposition Study in the Beeliiar/Munster Locality". Report for Department of Water and Environmental Regulation, WA. 88 pages.

**Sharma, R., Black, S., Price, B. and Allen, D.** 2019. "Establishing Leaching Environmental Impact Assessment Framework Tools in the Development of a WA Framework for By-product Re-use and Classification". Final report for Minerals Research Institute of WA project M451. 210 pages.



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