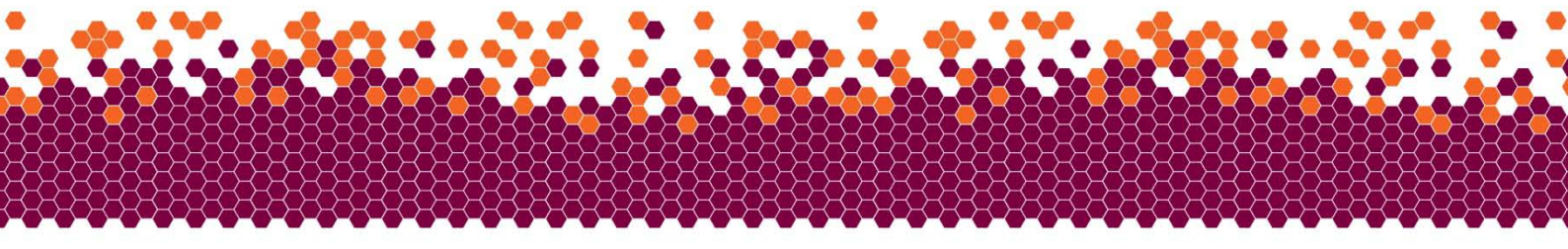




Statement of Corporate Intent

2012/13

PO Box 1250
BENTLEY DELIVERY CENTRE
WA 6983



1. Executive Summary

ChemCentre is the leading analytical and chemistry facility in Western Australia. Through excellence in chemistry, the organisation plays a key role in matters of public and environmental health, justice, safety and security.

ChemCentre exists to provide essential chemical and forensic services to ensure a safe and prosperous Western Australian Community.

ChemCentre's **Vision**, to guide it over the next decade, is:

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

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

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

To achieve this Mission by 2017, ChemCentre has adopted six **strategic goals**:

By 2017, ChemCentre will:

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

Within this context, ChemCentre is required to develop annually a Statement of Corporate Intent reflecting the business directions for the relevant financial year. Under the *Chemistry Centre (WA) Act 2007*, this document must be approved by the responsible Minister, obtain concurrence by the Treasurer and be tabled in Parliament.

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2. Introduction

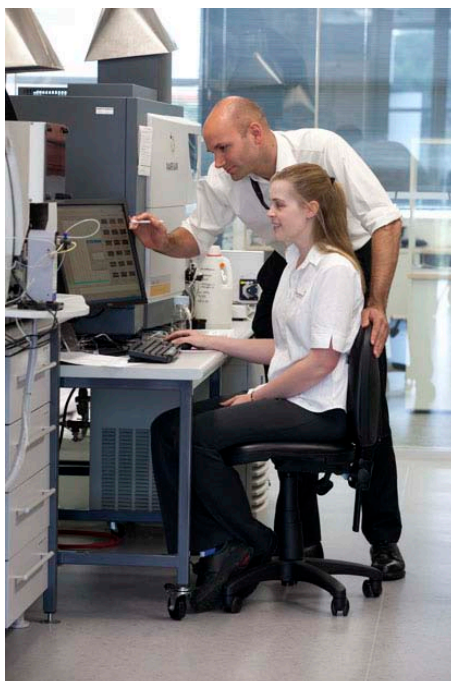
This Statement of Corporate Intent (SCI) is submitted to the Minister in accordance with the *Chemistry Centre (WA) Act 2007* (the Act) and *Chemistry Centre (WA) Regulations 2007* (the Regulations).

Under the Regulations, ChemCentre is required to outline its major initiatives for achieving its strategic goals and the major planned achievements and measures by which it may be judged to have achieved those goals. ChemCentre is also required to summarise its operational activities and the financial impact of its strategic and operational activities.

In accordance with the Regulations the Board and Executive of ChemCentre have reviewed the strategy for the organisation with a five year horizon to 2017. The 2012/13 SCI is consistent with this revised Strategic Development Plan for ChemCentre.

The Strategic Development Plan will see that ChemCentre is recognised as Australia's leading provider of premium chemical and forensic services. ChemCentre will be the trusted provider of essential chemical and forensic services to ensure a safe and prosperous Western Australian community.

This Statement of Corporate Intent outlines how ChemCentre will deliver against its strategic goals for the 2012/13 financial year.





3. Business Overview

ChemCentre is the leading analytical and chemistry facility in Western Australia. Through excellence in chemistry, the organisation plays a key role in matters of public and environmental health, justice, safety and security.

ChemCentre is located in the Resources and Chemistry Precinct within Curtin University's Bentley Campus and is adjacent to the Australian Minerals Research Centre (AMRC). This has created a collaborative environment of excellence in chemistry for WA.

ChemCentre was established more than 100 years ago and today provides leading-edge expertise in six key service areas:

1. **Forensic Science.** Scientific services to police, coroners & agencies involved in justice administration.
2. **Environmental.** Monitoring, evaluation and advisory services on the state of the environment (including soil, air and water).
3. **Emergency & Crisis.** Emergency response to hazardous materials crises including fires, toxic spills, Chemical Biological and Radiological (CBR) incidents, and white powder and other contamination events.
4. **Bioanalysis.** Testing and analysis in numerous fields including drug discovery and bioprospecting.
5. **Occupational Health.** Industrial and workplace monitoring and testing to ensure health and safety compliance.
6. **Research.** Scientific research either on a collaborative or contract basis.

ChemCentre delivers analytical chemistry and forensic science services to Government Agencies such as the WA Police, the Office of the State Coroner, Water Corporation, Racing and Wagering Western Australia and the Department of Transport.

In addition ChemCentre provides commercial services to a range of corporate clients in various industries.

ChemCentre also engages in applied research and development designed to enhance capability and solve problems for the benefit of the WA community or commercial clients. ChemCentre employs over 120 expert scientists and support staff and uses state-of-the-art laboratory instrumentation to investigate and solve complex chemical problems.

4. Strategic Direction

ChemCentre exists to provide essential chemical and forensic services to ensure a safe and prosperous Western Australian community.

While the community of Western Australia is the primary beneficiary of ChemCentre's services, major clients of ChemCentre include the Government of Western Australia and industry. ChemCentre achieves its ultimate aim of ensuring a safe and prosperous Western Australia by providing essential services to a range of Government Agencies and chemical services to the Western Australian community.

ChemCentre's actions and aspirations are guided by its values. ChemCentre staff value innovation, integrity, quality, their clients, their colleagues and the community.

ChemCentre's **Vision**, to guide it over the next decade, is:

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

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

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

To ensure the safety and prosperity of the Western Australian Community, ChemCentre has built a team of highly qualified and experienced chemists with access to state-of-the-art equipment.

ChemCentre has the opportunity to expand and develop its markets such that the organisation extends the reach of its services nationally and internationally, without compromising its commitments to the Western Australian community. Challenging ChemCentre to extend to other markets will, in fact, result in an improvement in service delivery to West Australians through development of staff and the necessary physical and intellectual capacity to be competitive in other markets.

To achieve this vision by 2017, ChemCentre will by necessity become a different organisation to that which it is now. The major transformations that will occur are reflected in its strategic goals:

By 2017, ChemCentre will:

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



5. ChemCentre Objectives

Within the context of the strategic goals the Board and Executive of ChemCentre have identified the following objectives that need to be addressed by the organisation in order to achieve the vision during the strategic time horizon of 2016.

1 Be commercially sustainable with more and diverse customers and markets

ChemCentre needs to develop new markets and products and increase revenue and be less reliant on appropriations. For example it must meet the full cost of its commercial rent and fund on-going asset acquisition to remain competitive.

This means ChemCentre must be more commercial in its approach and be less reliant on its current customer base which is rather narrow and dominated by Government entities. All of ChemCentre's business areas continually strive to identify new priority market opportunities, with a target for each financial year.

The following Objectives need to be met to address this goal within the planning year:

- Secure new high and medium value clients from identified market opportunities.
- Increase return to ChemCentre by maximising the worth of services to new and existing clients.
- Develop new products and markets.
- Develop and implement efficient marketing and sales systems.

2 Have a core client base with long term relationships

ChemCentre will utilise the scope of its expertise across business areas to ensure its new and existing medium and high value customers see merit in developing long term relationships with ChemCentre. This means articulating the value proposition from ChemCentre for each of these major customers and delivering on it.

ChemCentre has highly sophisticated Laboratory Information Management Systems (LIMS) for tracking workflows. It will invest in high quality internal systems to integrate these systems with those which monitor customer needs and financial information to provide real time information and reports to clients, staff, management and the Board.

The following Objectives need to be met to address this goal within the planning year:

- Initiate development of an integrated Client Relationship Management System.
- Ensure best practice interaction with clients.

3 Build and maintain a highly skilled workforce focussed on high quality and efficient service delivery

ChemCentre invests considerable effort in defining the competencies required to deliver the range of services offered or planned for the next five years. It is constantly matching current competencies against these requirements and ensuring the training or recruitment processes are in place to meet them, within a wider succession plan. It is currently developing a workforce plan which encompasses all the requirements to build and maintain a highly skilled workforce.

The following Objectives need to be met to address this goal within the planning year:

- Implement a Workforce Plan to align staff skills and organisational structures against client and market requirements.
- Implement best practice client service delivery processes.

4 Benefit from targeted research and development

In order to maintain its relevance and reputation ChemCentre must continually innovate through applied research and development. It has mandated responsibilities such as responses to hazardous chemical and biological emergencies for which it must maintain capability. To create a service advantage in key fields it must ensure that the methods it offers to clients are at the “cutting edge” and delivered in the most efficient and cost effective manner possible.

This will require continual effort to identify opportunities to enhance services to meet mandated responsibilities and commercial opportunities, continually updating value propositions and marketing plans and implementing them.

The following Objectives need to be met to address this goal within the planning year:

- Develop a market focused Research and Development Program to maximise research benefits to ChemCentre through innovative products and services.
- Implement research & development and benchmarking to enhance delivery of services for mandated responsibilities in crisis & emergency response management and forensic science.
- Improve processes to identify funding partners to leverage best value public good research pertinent to ChemCentre’s mandated responsibilities.
- Identify and propose research and development solutions to clients to enhance state development.

5 Develop world class capabilities in core areas

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

The following Objectives need to be met to address this goal within the planning year:

- Implement a strategy for establishing and commercialising world class capability in identified priority areas.
- Scope, benchmark and resource new areas where ChemCentre has world class capability.

6 Protect, enhance and educate the community by its services in analytical chemistry and forensic science

One of the mandates for ChemCentre in its Act is to promote, and assist in the provision of, chemistry based education and training and fundamental and applied research and development. It also has a requirement towards crisis and emergency response management and forensic science.

The scope for this work, and how it contributes to the protection and enhancement of the community, requires dialogue with stakeholders, and mapping of resource requirements against the needs they identify, including the cost of education and training, as well as community service obligations.

In other service areas ChemCentre will continually review current service capability in analytical chemistry and forensic science for gaps against risks and demand.

The following Objectives need to be met to address this goal within the planning year:

- Formalise relationships with education and outreach partners in the education and university sectors.
- Achieve recognition of ChemCentre as a centre of expertise in incident response and analytical chemistry issues affecting the community.
- Implement strategies to provide new or improved services in forensic science to meet gaps in service delivery to the community.
- Implement strategies to enhance capability in analytical chemistry to meet community requirements in emergency response and chemistry issues affecting the community.



Appendix 1. Performance Indicators

KEY EFFECTIVENESS INDICATORS - BY OUTCOME

OUTCOMES	Key Effectiveness Indicator	KEI No	Measurement description	Estimate by year				
				2011/12	2012/13	2013/14	2014/15	2015/16
Quality Scientific Advice	Client Satisfaction	2	Survey of Customers & responses	80%	80%	80%	80%	80%
	Proficiency rating	3	As determined from the aggregate of all external proficiency trials - measure by two standard deviations	95%	95%	95%	95%	95%
Quality Research and Development	Aggregate value of ChemCentre Components	4	Ratio and value of R & D sold; to internal R & D amount	60/40	60/40	60/40	60/40	60/40
	Quality of R & D	4	Survey - Recommend survey of our R & D customers to see if they will use us again - Satisfaction level	80%	80%	80%	80%	80%
Quality Emergency Response	Average resolution time	1	Measure the time to respond to each incident	4 Hours	4 Hours	4 Hours	4 Hours	4 Hours

KEY EFFICIENCY INDICATORS - BY SERVICE

SERVICES	Key Efficiency Indicator	KFI No	Measurement description	Estimate by year (\$'000's)				
				2011/12	2012/13	2013/14	2014/15	2015/16
Emergency Response Management	Total Cost of Service	3	Total Cost of Service	\$1,103	\$1,158	\$1,216	\$1,276	\$1,340
	Billable Hours		Billable Hours	3,500	3,500	3,500	3,500	3,500
	Average cost per chargeable hour		Average \$ cost per chargeable hour	\$315	\$331	\$347	\$365	\$383
Research and Development	Total Cost of Service	2	Total Cost of Service	\$1,785	\$1,874	\$1,968	\$2,066	\$2,170
	Billable Hours		Billable Hours	7,500	7,500	7,500	7,500	7,500
	Average cost per chargeable hour		Average \$ cost per chargeable hour	\$238	\$250	\$262	\$276	\$289
Commercial and Scientific Information & Advice	Total Cost of Service	1	Total Cost of Service	\$20,627	\$21,713	\$22,717	\$23,798	\$24,954
	Billable Hours		Billable Hours	96,600	96,600	96,600	96,600	96,600
	Average cost per chargeable hour		Average \$ cost per chargeable hour	\$214	\$225	\$235	\$246	\$258

Appendix 2. Financial Forecast

INCOME STATEMENT ^(a) (Controlled)						
	2010-2011 \$000	2011- 2012 \$000	2012- 2013 \$000	2013- 2014 \$000	2014-2015 \$000	2015- 2016 \$000
COST OF SERVICES						
Expense						
Employee benefits ^(b)	10,611	11,602	12,451	13,361	14,341	15,392
Supplies and services	3,056	2,962	3,084	3,205	3,344	3,483
Accommodation	5,687	5,935	6,144	6,209	6,280	6,358
Depreciation and amortisation	1,133	1,364	1,364	1,364	1,366	1,366
Other Expenses	1,157	1,651	1,702	1,761	1,810	1,865
TOTAL COST OF SERVICE	21,644	23,514	24,745	25,900	27,141	28,464
Income						
Sale of goods and services	14,855	16,145	18,002	20,072	22,380	24,954
Interest Revenue	17	17	17	17	17	17
Total Income	14,872	16,162	18,019	20,089	22,397	24,971
NET COST OF SERVICES	6,772	7,352	6,726	5,811	4,744	3,493
INCOME FROM STATE GOVERNMENT						
Service appropriation	9,458	8,583	7,702	6,884	6,020	6,311
TOTAL INCOME FROM STATE GOVERNMENT	9,458	8,583	7,702	6,884	6,020	6,311
Surplus/Deficit for the period	2,686	1,231	976	1,073	1,276	2,818
Income tax benefit/(expense)	(592)	(338)	(293)	(322)	(383)	(845)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	2,094	893	683	751	893	1,973

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The Full Time Equivalents (FTEs) for 2010-11 Actual, 2011-12 Estimated Actual and 2012-13 Estimates are 117,116 and 116 respectively. In some cases the figures for 2010-11 and 2011-12 may differ from previously published figures due to changes in calculation methodology.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2010- 2011 \$000	2011- 2012 \$000	2012- 2013 \$000	2013- 2014 \$000	2014- 2015 \$000	2015- 2016 \$000
CURRENT ASSETS						
Cash assets	4,935	4,664	5,821	7,410	9,891	11,869
Holding account receivables	770	405	405	405	-	-
Sinking funds at Curtin University Receivables	432	687	942	1,197	1,452	1,707
Other	2,208	2,324	2,608	2,925	3,279	3,674
	122	126	130	134	138	143
Total Current Assets	8,467	8,206	9,906	12,071	14,760	17,393
Non Current Assets						
Restricted cash at Treasury	81	81	81	81	81	81
Property, plant and equipment	3,692	4,294	4,358	4,527	4,477	4,437
Intangible Assets	603	472	441	410	379	348
Other	753	594	594	594	594	594
Total Non-Current Assets	5,129	5,441	5,474	5,612	5,531	5,460
Total Assets	13,596	13,647	15,380	17,683	20,291	22,853
CURRENT LIABILITIES						
Payables	2,101	1,881	1,887	1,969	2,084	2,602
Employee provisions	2,115	2,263	2,562	3,023	3,567	3,567
Other	3,088	1,648	1,516	1,581	1,649	1,720
Total Current Liabilities	7,304	5,792	5,965	6,573	7,300	7,889
Non Current Liabilities						
Leave Entitlement LSL	706	1,181	1,358	1,602	1,890	1,890
Total Non-Current liabilities	706	1,181	1,358	1,602	1,890	1,890
Total Liabilities	8,010	6,973	7,323	8,175	9,190	9,779
Equity						
Contributed equity	3,848	4,043	4,743	5,443	6,143	6,143
Accumulated Surplus/Deficit	1,738	2,631	3,314	4,065	4,958	6,931
Total equity	5,586	6,674	8,057	9,508	11,101	13,074

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)						
(Controlled)						
	2010-2011	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016
	\$000	\$000	\$000	\$000	\$000	\$000
CASHFLOWS FROM STATE GOVERNMENT						
Service appropriations	8,911	8,543	7,297	6,479	6,020	5,711
Capital appropriation	195	195	700	700	700	-
Holding account drawdowns	405	405	405	405	-	-
Net cash provided by State Government	9,511	9,143	8,402	7,584	6,720	5,711
CashFlows From Operating Activities						
Payments						
Employee benefits	(10,259)	(10,877)	(11,975)	(12,656)	(13,509)	(15,392)
Supplies and services	(3,083)	(3,283)	(3,422)	(3,560)	(3,704)	(3,854)
Accommodation	(4,868)	(7,301)	(6,144)	(6,209)	(6,280)	(6,358)
Other payments	(1,394)	(3,408)	(3,610)	(3,615)	(3,511)	(3,634)
Receipts						
Sales of goods and services	13,546	15,890	17,718	19,755	22,026	24,559
GST receipts	1,354	1,615	1,800	2,007	2,238	2,495
Net cash from operating activities	(4,704)	(7,364)	(5,633)	(4,278)	(2,740)	(2,184)
CashFlows From Investing Activities						
Purchase of non-current assets	(1,516)	(1,795)	(1,357)	(1,462)	(1,244)	(1,294)
Other payments	-	(255)	(255)	(255)	(255)	(255)
Net cash from Investing activities	(1,516)	(2,050)	(1,612)	(1,717)	(1,499)	(1,549)
Cash Flows From Financing Activities						
Net cash from financing activities	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	3,291	(271)	1,157	1,589	2,481	1,978
Cash assets at the beginning of the reporting period	1,644	4,935	4,664	5,821	7,410	9,891
Cash assets at the end of the reporting period.	4,935	4,664	5,821	7,410	9,891	11,869

(a) Full audited financial statements are published in the agency's Annual Report.

Appendix 3. Budget Estimates – Asset Investment Plan

Project Title	No.							
		Budget	EOT	Budget	Forward Estimate			
		2011/12	2011/12	2012/13	2013/14	2014/15	2015/16	
COMPLETED WORKS								
Asset Acquisition Program								
New Scientific Equipment	- 2011-12 Program	17669	195	1,390	0	0	0	0
Asset Replacement Program								
Scientific Equipment	- 2011-12 Program	17654	405	405	0	0	0	0
NEW WORKS								
Asset Acquisition Program								
New Scientific Equipment								
	- 2012-13 Program	17670	0	0	952	0	0	0
	- 2013-14 Program	21772	0	0	0	1,057	0	0
	- 2014-15 Program	22491	0	0	0	0	839	0
	- 2015-16 Program							1294
Asset Replacement Program								
Scientific Equipment								
	- 2012-13 Program	17655	0	0	405	0	0	0
	- 2013-14 Program	21773	0	0	0	405	0	0
	- 2014-15 Program	22490	0	0	0	0	405	0
	- 2015-16 Program							
Total Cost of Asset Investment Plan		600	1,795	1,357	1,462	1,244	1,294	

Funded By

Capital Appropriation	195	1390	700	700	700	0
Drawdowns from Holding Account	405	405	405	405	0	0
Internal Funds and Balances	0	0	252	357	544	1294
Total Funding	600	1,795	1,357	1,462	1,244	1,294