



# Statement of Corporate Intent

2016-17

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## EXECUTIVE SUMMARY

The Chemistry Centre (WA) [trading as ChemCentre] is a Western Australian statutory authority which provides chemical and forensic science services. The authority plays a key role in managing matters of public and environmental health, justice, safety and security.

ChemCentre exists to provide specialised chemical and forensic services to ensure a safe and prosperous Western Australian community. The business model for delivering these services is currently undergoing change to achieve financial sustainability and thus ensure ChemCentre's continuing role in mitigating state risks for government within a changing economic environment. Within its areas of expertise, ChemCentre contributes to scientific education and knowledge in WA; and operates a successful consulting business.

### 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 STRATEGIC OBJECTIVES

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

This Statement of Corporate Intent (SCI) outlines:

- how ChemCentre Board and Management will function in the 2016-17 financial year to achieve the operational targets as well as the metrics by which performance will be measured. This function will be guided by a risk assessment and tolerance framework;
- ChemCentre's anticipated operating income and expenditure, as well as capital expenditure for the 2016-17 financial year;
- the proposed pricing arrangements for 2016-17;
- how ChemCentre will achieve its community service obligations, as well as how the services to achieve these obligations will be costed and funded; and
- ChemCentre's performance in the 2015-16 financial year against the operational targets set in the SCI for that year.

## INTRODUCTION

ChemCentre provides essential chemical and forensic services to ensure a safe and prosperous Western Australian community. Its business model for delivering these services is currently undergoing change to achieve financial sustainability and thus ensure its continuing role in mitigating state risks within a changing economic environment. ChemCentre also contributes to scientific education and knowledge in WA.

A Statement of Corporate Intent (SCI) for ChemCentre for each financial year is required under the Chemistry Centre (WA) Regulations 2007 (the Regulations)<sup>1</sup>.

Within this context, the SCI must be consistent with the Strategic Development Plan (SDP) for the Chemistry Centre<sup>2</sup>. The Regulations<sup>3</sup> set out the matters which must be covered in the SCI<sup>4</sup>. This Statement covers the period 1 July 2016 to 30 June 2017, and addresses the matters required by the Regulations<sup>5</sup>.

## STRATEGIC DIRECTION

While the community of Western Australia is the ultimate beneficiary of ChemCentre's services, major clients of ChemCentre include the Government of Western Australia, government trading enterprises (GTEs) and industry. ChemCentre strives to achieve its mission of ensuring a safe and prosperous Western Australia by providing specialised services to a range of Government agencies and chemical services to the Western Australian community.

Our **Vision** and **Mission** are set within the context of ChemCentre's functions as outlined in Section 9 of the *Chemistry Centre (WA) Act 2007* (the Act). ChemCentre's strategic objectives are in line with the Principles of Operation of ChemCentre<sup>6</sup> and its Powers<sup>7</sup>.

To achieve this mission by 2021, ChemCentre has adopted the following strategic objectives:

1. Mitigate risks to Government associated with public health, public safety and the environment.
2. Keep the State safe during times of emergency and crisis.
3. Support the State justice and policing systems.
4. Support the sustainable economic development of the State.
5. Support science capability and engagement in the State.
6. Develop our people, enhance organisational capability and financial sustainability

## MAJOR INITIATIVES

The major initiatives for achieving strategic objectives<sup>8</sup> and major planned achievement<sup>9</sup> are outlined in the budget papers attached.

## OPERATIONS AND ACCOUNTABILITY

ChemCentre undertakes a range of activities required by government which do not involve making a profit<sup>10</sup>. ChemCentre applies an appropriate margin to all its fee for-for-service activities over and above the requirements for cost recovery. For a range of other activities, such as Emergency Response, no margin is applied but costs are recovered from appropriations.

Some ChemCentre services are required where there is no specific funding body to pay for those services<sup>11</sup> or multiple agencies receive benefit though no Government body has specific responsibility. Within its remit, ChemCentre funds these services through its appropriations<sup>12</sup> as outlined in the table below.

### INDICATIVE PERCENTAGE OF ALLOCATIONS OF APPROPRIATIONS IN CHEMCENTRE 2016-17

Area	Indicative percentage of appropriation allocation
Emergency Response	25%
Essential Infrastructure	11%
Law and Order	2%
Public Safety	3%
Sustainable Development	6%
Education and Outreach	3%

In aggregate these activities typically represent around 20% of the activities of ChemCentre, although the specific allocation at both an aggregate and individual level varies year to year<sup>13</sup>.

In addition to these obligations, ChemCentre undertakes work in the areas of Research and Development. The Research and Development plan is approved by the Board to ensure consistency with the risk exposures and major strategic objectives.

Within the context of appropriation expenditure the percentages against its main activities are outlined in the table above<sup>14</sup>. ChemCentre's enabling legislation permits it to engage in commercial activities<sup>15</sup>. The Minister for Science, under the *State Trading Concerns Act 1916*, has authorised ChemCentre's CEO to set rates and charges out of cycle for the annual across government review fees and charges. ChemCentre regularly reviews fees and charges in accordance with Treasurer's Instruction (TI 810).

ChemCentre's Board approves charges for the following financial year as part of its adoption of ChemCentre's annual internal budget. ChemCentre charges cover direct costs and indirect costs plus a margin which varies according to the client, the nature of the service provided and the competitive environment. In most situations, fee-for-service work for private sector clients is competitively tendered.

ChemCentre charges customers on a fee- for-service basis under various purchase orders, contracts and, for government clients, under memorandums of understanding (MoU).

The service level agreements (SLA) which underpin MoUs –are renegotiated in each year. Other prices are negotiated in accordance with market factors, contract terms and conditions, the specific

nature of the work to be undertaken, volume to be tested, length of contract etc. This is particularly true of private sector fee for service work.

ChemCentre will also be using the annual Tariffs, Fees and Charges process from the 2017-18 with a view to moving towards cost recovery.

Premier's Instruction 2016/01 is now in force which instructs government agency Director Generals and CEOs to seek a quote for relevant services from ChemCentre. The efficiency and profitability of several areas within ChemCentre is impacted by the small batch size that is currently received. Encouraging government departments to use ChemCentre will decrease the unit cost and have a positive impact on ChemCentre sustainability, and hence provide a more favourable return to government. Also, departments and agencies offering ChemCentre the opportunity to undertake work may result in a more effective and economic ways to provide appropriate chemical services than multiple government departments developing niche (often underutilised) facilities within their own organisations.

The planned operating income and expenditure for ChemCentre over the planning period is outlined in Appendix 1<sup>16</sup>.

ChemCentre has a five year rolling strategic asset plan<sup>17</sup> within the context of government's Strategic Asset Management Framework. ChemCentre's Strategic Asset Plan is predicated on routine replacement of minor capital items, the timely replacement of fully depreciated and outmoded analytical equipment for existing business lines and the periodic acquisition of machines with new capabilities to enhance service offerings and offer improved efficiency.

Under section 27 of the Act the Minister may, with the concurrence of the Treasurer, fix an amount that the Chemistry Centre is required to pay to the Treasurer by way of financial return to the state; and direct the Chemistry Centre to make the payment<sup>18</sup>. However such a direction has not been received to date.

Under section 31 of the Act ChemCentre is liable for duties taxes and other statutory imposts. This includes the company tax equivalence regime operated by government. Given current trading conditions it is not expected that ChemCentre will be required to meet either a dividend or a company tax equivalent payment in 2016-17.

ChemCentre did not achieve its financial target in 2015/16 due to adverse trading conditions. The estimated loss before tax for 2015-16 is \$1.251m, compared to the actual loss of \$1.539m for 2014-15<sup>19</sup>.

## SERVICES PROVIDED BY CHEMCENTRE FUNCTIONAL AREAS

<u>Forensic Science Laboratory</u>	<u>Scientific Services Division</u>
<u>Physical Evidence</u>	<u>Emergency Response</u>
Maintenance of a library of comparison materials	Maintenance of emergency response capability
Analysis of: accelerants, explosives, gunshot residue, glass, paint, polymer, fibres, metals, soils, personal defence sprays, lotions and cosmetics, ink and dyes and miscellaneous materials	Maintenance of a Gamma irradiation unit for sterilisation of materials
<u>Illicit Drugs</u>	Maintenance of a mobile laboratory
Drug profiling analysis	Identification of “unknown” chemical hazards
Clandestine laboratory attendance and analysis	Training external agencies (e.g. Department of Fire and Emergency Services) in hazard mitigation/response
Cannabis certificates	Expert advice to state, national and international emergency response agencies
Other drug certificates	Attendance at site of emergency
<u>Toxicology</u>	<u>Soil and Mining</u>
Alcohol analysis for traffic offences	Soil analysis for agronomic purposes
Analysis of seized drugs	Soil analysis for land rehabilitation purpose
Confirmation of oral fluid drug tests	Soil analysis for environmental purposes
Toxicology for criminal cases	Soil amelioration services
Toxicology for the Office of the Coroner	Plant analysis for agronomic purposes
<u>Racing Chemistry</u>	Plant analysis for land rehabilitation purpose
Toxicology in horses and dogs	Plant analysis for environmental purposes
	Mine site analysis for potential acid metalliferous drainage
	Mineral and waste analysis for reuse
	By-product analysis for safe re-use
	Carbon and sulfur analysis
	<u>Environmental Chemistry</u>
	Water analysis for potable use
	Water analysis for contamination

	Occupational health sample analysis
	Cyanide analysis
	Carbon and sulfur analysis
	<u>Petroleum Chemistry</u>
	Marine samples for hydrocarbons for the oil and gas sector
	Freshwater samples for hydrocarbons (e.g. fracking)
	<u>Residues and Compositional Chemistry</u>
	Pesticide residues in food
	Pesticide residues in water
	Disinfection by-products in water
	Trace contaminants in water (e.g. pharmaceuticals)
	<u>Occupational Health and Investigations</u>
	Analysis of occupational exposure; fumes, dusts, biological samples
	Analysis of diving gases for commercial sector and the armed forces
	Analysis of materials from contaminated sites
	Identification of unknown materials in licenced waste sites

### Footnotes

1. [R 11(1)]; 2. [R 11(2)]; 3. [R 12(3)]; 4. [R 12(3)]; 5. [R 11(3)]; 6. (s10); 7. (s11); 8. [R 12(3) (a)]; 9. [R 12(3) (b)]; 10. [R 12(3) (d)]; 11. [R 12(3) (e)]; 12. [R 12(3) (f)]; 13. [R 12 (3) (g)]; 14. [R 12(3) (h)]; 15. [(R 12(3) (i)]; 16. [R 12(3) (j)]; 17. [R 12(3) (k)]; 18. [R 12(3) (l)]; 19. [R 12(3) (m)]

File reference 1362.Ministerial

## Division 8 Chemistry Centre (WA)

### Part 2 Premier; Minister for Tourism; Science

#### Appropriations, Expenses and Cash Assets

	2014-15 Actual \$'000	2015-16 Budget \$'000	2015-16 Estimated Actual \$'000	2016-17 Budget Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
Item 11 Net amount appropriated to deliver services .....	8,144	7,324	7,559	6,459	6,698	6,722	6,764
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....	208	208	246	251	258	264	271
Total appropriations provided to deliver services.....	8,352	7,532	7,805	6,710	6,956	6,986	7,035
<b>CAPITAL</b>							
Item 125 Capital Appropriation.....	700	-	1,300	1,500	940	1,000	1,000
<b>TOTAL APPROPRIATIONS</b> .....	9,052	7,532	9,105	8,210	7,896	7,986	8,035
<b>EXPENSES</b>							
Total Cost of Services.....	24,307	25,274	24,772	24,971	25,162	25,238	25,397
Net Cost of Services <sup>(a)</sup> .....	9,891	7,423	8,051	7,961	8,118	8,025	7,972
<b>CASH ASSETS</b> <sup>(b)</sup> .....	2,987	2,527	2,943	2,799	2,423	2,047	1,663

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

#### Spending Changes

All recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2015-16 Budget to Parliament on 14 May 2015, are outlined below:

	2015-16 Estimated Actual \$'000	2016-17 Budget Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000
Revised 1.5% Public Sector Wages Policy .....	-	(6)	(126)	(246)	(361)

#### Significant Issues Impacting the Agency

##### Mitigate Risks on Behalf of the Government Associated with Public Health, Public Safety and the Environment

- The Centre has assessed the State's tolerance for a range of risks it has responsibility for under the *Chemistry Centre (WA) Act 2007*, and is reviewing services to ensure the State Government appropriately mitigate these risks.
- The Centre will work with key State Government partner agencies to ensure services are aligned in the most efficient and effective manner to mitigate their risks and shared responsibilities.
- The Centre will further develop its collaborations with State Government agencies, universities and other bodies to expand its capability and knowledge in forensic science and analytical chemistry.

- The Centre will collaborate with Government and other partners to investigate the scope of a range of current (and future) legal and illegal drugs to allow for a quantified approach to addressing their impact on mental health in the community, on our roads and in the prison system.

### **Keep the State Safe During Times of Emergency and Crisis**

- The Centre will invest in equipment and maintenance to improve the 24 hour Emergency Response service capability and mitigate risk to the State. Training will be extended to the Department of Fire and Emergency Services in accordance with the Memorandum of Understanding. This capability contributes to the State's capacity to respond to emergencies such as bush fires, chemical fires, chemical spills and acts of vandalism or terrorism. With the growing intensity and frequency of bushfires in particular, there will be a commensurate impact on infrastructure and the environment through the release of hazardous chemicals which must be identified and monitored in real time.
- The Centre will continue to maintain its readiness and further develop its collaborative relationships at the State, national and international level to support timely and informed decision making and response in the event of terrorist threats and incidents arising from chemical, biological or radiological sources.

### **Support the State Justice and Policing Systems**

- The Centre will work with Western Australia Police to address analytical and evidentiary issues arising from increased roadside drug testing. Through improved sampling and analytical procedures it will also assist Western Australia Police in its efforts to deal with growing seizures of methylamphetamine type drugs.
- The Centre will continuously develop innovative analytical methods in response to the escalating range of New Psychoactive Substances entering the illegal drug marketplace to support the Office of the Coroner, Western Australia Police and the Office of the Director of Public Prosecutions, and where appropriate, advise on risk mitigation strategies.
- The Centre will be extending its significant skills in small molecule identification into the analysis of larger molecules such as peptides which have the potential for abuse in humans and also in animals participating in the racing industry.

### **Support the Sustainable Economic Development of the State**

- The Centre will collaborate with the resources and energy sectors and regulators in this sector to develop transparent and cost effective analytical and monitoring regimes to assist in appropriate, cost effective and timely environmental impact assessment for future mines, active mines and mine site closure planning in order to reduce sovereign and legacy risk to the State.
- The Centre will assess analytical methods for regulators and industry to ensure the safe and effective use of industrial by-products for alternative uses including construction and soil remediation.
- The Centre will help the Western Australian agriculture and food sectors to increase their comparative marketing advantage through compositional testing and certification, particularly for lupins, wheat, honey and in aquaculture.

### **Support Science Capability and Engagement in the State**

- The Centre contributes to the scientific infrastructure of the State via various State, national and international committees and advisory groups which have a direct impact on the legislation, operation or business activities of companies in Western Australia. These groups include the National Institute of Forensic Science, the Strategic Assessment of the Perth and Peel Regions, National Association of Testing Authorities, International Standards Association, Chemical Warfare Analytical Laboratory Network, the Department of Water's Science Review Panel and the State Water Purity and Fluoridation Committees.
- The Centre makes a strong contribution to science, technology, engineering and mathematics (STEM) education through the promotion of chemistry-based activities. These include a commitment to National Science Week and strategic engagement with schools that focus on STEM. At the tertiary level the Centre will seek to further develop its collaboration with universities through joint supervision of undergraduate and graduate students and through post-doctoral fellows, as well as offering vacation employment.
- The Centre will work with key university collaborators to obtain Australian Research Council Linkage Infrastructure, Equipment and Facilities grants for scientific equipment which will significantly enhance capability across all partner agencies.
- The Centre, through its relationship with the Office of Science, will continue to contribute to Government science initiatives.

## Outcomes, Services and Key Performance Information

### Relationship to Government Goals

Broad Government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the Government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Quality scientific advice.	1. Commercial and Scientific Information and Advice
	Quality research and development.	2. Research and Development
	Quality emergency response.	3. Emergency Response Management

### Service Summary

Expense	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19	2019-20
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Commercial and Scientific Information and Advice.....	21,307	21,792	21,734	21,742	21,851	21,844	21,919
2. Research and Development.....	1,267	1,557	1,435	1,594	1,635	1,676	1,717
3. Emergency Response Management.....	1,733	1,925	1,603	1,635	1,676	1,718	1,761
<b>Total Cost of Services .....</b>	<b>24,307</b>	<b>25,274</b>	<b>24,772</b>	<b>24,971</b>	<b>25,162</b>	<b>25,238</b>	<b>25,397</b>

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

	2014-15	2015-16	2015-16	2016-17	Note
	Actual	Budget	Estimated Actual	Budget Target	
<b>Outcome: Quality scientific advice:</b>					
Client satisfaction.....	87%	80%	80%	80%	
Proficiency rating .....	90%	95%	95%	95%	
<b>Outcome: Quality research and development:</b>					
Aggregate value of ChemCentre components .....	47/53	60/40	60/40	60/40	
Quality of research and development .....	83%	80%	80%	80%	
<b>Outcome: Quality emergency response:</b>					
Average resolution time .....	1.9 hours	4 hours	4 hours	4 hours	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

## Services and Key Efficiency Indicators

### 1. Commercial and Scientific Information and Advice

Development and delivery of quality scientific information and advice, on a commercial basis, to Government, industry and the community.

	2014-15 Actual	2015-16 Budget	2015-16 Estimated Actual	2016-17 Budget Target	Note
Total Cost of Service.....	\$'000 21,307	\$'000 21,792	\$'000 21,734	\$'000 21,742	
Less Income .....	13,821	16,917	15,860	16,054	
Net Cost of Service.....	7,486	4,875	5,874	5,688	
<b>Employees (Full Time Equivalents).....</b>	90	90	85	85	
<b>Efficiency Indicators</b>					
Total Cost of Service.....	21,307	21,792	21,734	21,742	
Billable Hours .....	100,366	99,000	93,720	93,720	
Average Cost per Chargeable Hour .....	\$212	\$220	\$232	\$232	

### 2. 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 the delivery of the Centre's other services.

	2014-15 Actual	2015-16 Budget	2015-16 Estimated Actual	2016-17 Budget Target	Note
Total Cost of Service.....	\$'000 1,267	\$'000 1,557	\$'000 1,435	\$'000 1,594	
Less Income .....	595	934	861	956	
Net Cost of Service.....	672	623	574	638	
<b>Employees (Full Time Equivalents).....</b>	6	6	6	6	
<b>Efficiency Indicators</b>					
Total Cost of Service.....	1,267	1,557	1,435	1,594	
Billable Hours .....	5,240	6,600	6,600	6,600	
Average Cost per Chargeable Hour .....	\$242	\$236	\$217	\$242	

### 3. Emergency Response Management

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

	2014-15 Actual	2015-16 Budget	2015-16 Estimated Actual	2016-17 Budget Target	Note
Total Cost of Service.....	\$'000 1,733	\$'000 1,925	\$'000 1,603	\$'000 1,635	1
Less Income .....	-	-	-	-	
Net Cost of Service.....	1,733	1,925	1,603	1,635	
<b>Employees (Full Time Equivalents).....</b>	5	6	5	5	
<b>Efficiency Indicators</b>					
Total Cost of Service.....	1,733	1,925	1,603	1,635	
Billable Hours .....	7,372	6,600	5,500	5,500	
Average Cost per Chargeable Hours.....	\$235	\$270	\$291	\$297	

### Explanation of Significant Movements

(Notes)

- The expense variation between 2015-16 Budget and 2016-17 Budget Target is the result of improved cost modelling.

## Asset Investment Program

The Centre's Asset Investment Program is in line with its strategic goals. The Centre will spend \$1.5 million on replacement and acquisition of new scientific equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-16 \$'000	2015-16 Estimated Expenditure \$'000	2016-17 Budget Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000
<b>COMPLETED WORKS</b>							
Asset Acquisition Program - New Scientific Equipment							
2013-14 Program .....	961	961	525	-	-	-	-
Basic Lab Gear Replacement .....	20	20	20	-	-	-	-
Dionex Ion Chromatography System .....	125	125	125	-	-	-	-
General Lab Minor Equipment .....	30	30	30	-	-	-	-
Stereomicroscopes with Digital Interface .....	130	130	130	-	-	-	-
Asset Replacement Program							
Replacement of Information Technology Software .....	40	40	40	-	-	-	-
Replacement of Personal Computers (PCs) Used for Scientific Equipment .....	15	15	15	-	-	-	-
Replacement of Workstation PCs .....	15	15	15	-	-	-	-
Workstation PCs for General Purpose .....	63	63	63	-	-	-	-
<b>NEW WORKS</b>							
Asset Replacement Program							
2016-17 Program .....	1,500	-	-	1,500	-	-	-
2017-18 Program .....	1,500	-	-	-	1,500	-	-
2018-19 Program .....	1,000	-	-	-	-	1,000	-
2019-20 Program .....	1,000	-	-	-	-	-	1,000
<b>Total Cost of Asset Investment Program .....</b>	<b>6,399</b>	<b>1,399</b>	<b>963</b>	<b>1,500</b>	<b>1,500</b>	<b>1,000</b>	<b>1,000</b>
<b>FUNDED BY</b>							
Capital Appropriation .....			-	1,500	940	1,000	1,000
Drawdowns from the Holding Account .....			-	-	560	-	-
Internal Funds and Balances .....			963	-	-	-	-
<b>Total Funding .....</b>			<b>963</b>	<b>1,500</b>	<b>1,500</b>	<b>1,000</b>	<b>1,000</b>

## Financial Statements

### Income Statement

#### Expenses

The 2016-17 Budget Estimate Total Cost of Service shows an increase of \$199,000 over the 2015-16 Estimated Actual, this is mainly due to salary increases associated with improved cost modelling.

#### Income

Fee for service revenue from the provision of service to clients will increase in 2016-17 by \$289,000 compared to the 2015-16 Estimated Actual. This increase is due to increased demand from some clients and CPI increases in prices.

### Statement of Financial Position

The equity contribution from Government will increase by \$1.5 million in 2016-17 compared to the 2015-16 Estimated Actual. The funds will be used to acquire essential scientific equipment to underpin the delivery of services to the Western Australian community.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19	2019-20
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits <sup>(b)</sup> .....	12,744	13,546	12,947	13,262	13,554	13,764	14,074
Supplies and services.....	2,075	2,634	2,045	2,024	2,015	2,007	2,001
Accommodation .....	5,474	5,652	5,796	5,790	5,786	5,783	5,782
Depreciation and amortisation .....	1,319	1,523	1,303	1,218	1,131	1,006	906
Other expenses.....	2,695	1,919	2,681	2,677	2,676	2,678	2,634
<b>TOTAL COST OF SERVICES .....</b>	<b>24,307</b>	<b>25,274</b>	<b>24,772</b>	<b>24,971</b>	<b>25,162</b>	<b>25,238</b>	<b>25,397</b>
<b>Income</b>							
Sale of goods and services.....	14,354	17,795	16,658	16,946	16,978	17,146	17,356
Other revenue .....	62	56	63	64	66	67	69
<b>Total Income.....</b>	<b>14,416</b>	<b>17,851</b>	<b>16,721</b>	<b>17,010</b>	<b>17,044</b>	<b>17,213</b>	<b>17,425</b>
<b>NET COST OF SERVICES .....</b>	<b>9,891</b>	<b>7,423</b>	<b>8,051</b>	<b>7,961</b>	<b>8,118</b>	<b>8,025</b>	<b>7,972</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations.....	8,352	7,532	7,805	6,710	6,956	6,986	7,035
<b>TOTAL INCOME FROM STATE GOVERNMENT.....</b>	<b>8,352</b>	<b>7,532</b>	<b>7,805</b>	<b>6,710</b>	<b>6,956</b>	<b>6,986</b>	<b>7,035</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD.....</b>	<b>(1,539)</b>	<b>109</b>	<b>(246)</b>	<b>(1,251)</b>	<b>(1,162)</b>	<b>(1,039)</b>	<b>(937)</b>

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

(b) The Full Time Equivalents for 2014-15 Actual, 2015-16 Estimated Actual and 2016-17 Budget Estimate are 115, 118 and 116 respectively. In some cases the figures for 2014-15 and 2015-16 may differ from previously published figures due to changes in calculation methodology.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>  
(Controlled)**

	2014-15 Actual \$'000	2015-16 Budget \$'000	2015-16 Estimated Actual \$'000	2016-17 Budget Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash assets .....	2,987	2,527	2,943	2,799	2,423	2,047	1,663
Holding account receivables .....	560	560	560	560	-	-	-
Receivables .....	832	1,523	1,232	1,176	1,202	1,222	1,250
Other .....	230	250	288	250	250	250	250
<b>Total current assets .....</b>	<b>4,609</b>	<b>4,860</b>	<b>5,023</b>	<b>4,785</b>	<b>3,875</b>	<b>3,519</b>	<b>3,163</b>
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment .....	3,018	4,332	2,510	3,200	3,924	4,207	4,302
Intangibles .....	883	675	1,051	643	288	-	-
Other .....	2,673	2,671	3,025	3,376	3,729	4,083	4,439
<b>Total non-current assets .....</b>	<b>6,574</b>	<b>7,678</b>	<b>6,586</b>	<b>7,219</b>	<b>7,941</b>	<b>8,290</b>	<b>8,741</b>
<b>TOTAL ASSETS .....</b>	<b>11,183</b>	<b>12,538</b>	<b>11,609</b>	<b>12,004</b>	<b>11,816</b>	<b>11,809</b>	<b>11,904</b>
<b>CURRENT LIABILITIES</b>							
Employee provisions .....	2,631	2,583	2,631	2,631	2,631	2,631	2,631
Payables .....	616	1,397	586	592	591	589	586
Other .....	1,625	1,215	999	1,107	1,110	1,112	1,115
<b>Total current liabilities .....</b>	<b>4,872</b>	<b>5,195</b>	<b>4,216</b>	<b>4,330</b>	<b>4,332</b>	<b>4,332</b>	<b>4,332</b>
<b>NON-CURRENT LIABILITIES</b>							
Employee provisions .....	808	1,070	808	808	808	808	808
<b>Total non-current liabilities .....</b>	<b>808</b>	<b>1,070</b>	<b>808</b>	<b>808</b>	<b>808</b>	<b>808</b>	<b>808</b>
<b>TOTAL LIABILITIES .....</b>	<b>5,680</b>	<b>6,265</b>	<b>5,024</b>	<b>5,138</b>	<b>5,140</b>	<b>5,140</b>	<b>5,140</b>
<b>EQUITY</b>							
Contributed equity .....	6,143	5,738	7,438	8,938	9,878	10,878	11,878
Accumulated surplus/(deficit) <sup>(b)</sup> .....	(640)	535	(853)	(2,072)	(3,202)	(4,209)	(5,114)
<b>Total equity .....</b>	<b>5,503</b>	<b>6,273</b>	<b>6,585</b>	<b>6,866</b>	<b>6,676</b>	<b>6,669</b>	<b>6,764</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>11,183</b>	<b>12,538</b>	<b>11,609</b>	<b>12,004</b>	<b>11,816</b>	<b>11,809</b>	<b>11,904</b>

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

(b) Accumulated surplus/(deficit) does not agree to the aggregate of surplus/(deficiency) for the period and surplus/(deficiency) as at the end of the previous reporting period for the reason of the deferred tax expense of \$33,000 in 2014-15 and 2015-16, and \$32,000 in 2016-17 to 2019-20.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19	2019-20
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASHFLOWS FROM STATE GOVERNMENT</b>							
Service appropriations.....	8,352	7,532	7,805	6,710	6,956	6,986	7,035
Capital appropriation .....	700	-	1,300	1,500	940	1,000	1,000
Holding account drawdowns.....	405	-	-	-	560	-	-
Receipts paid into Consolidated Account.....	-	-	(5)	-	-	-	-
<b>Net cash provided by State Government.....</b>	<b>9,457</b>	<b>7,532</b>	<b>9,100</b>	<b>8,210</b>	<b>8,456</b>	<b>7,986</b>	<b>8,035</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(12,673)	(13,526)	(13,358)	(13,212)	(13,502)	(13,715)	(14,024)
Supplies and services.....	(3,063)	(1,833)	(2,222)	(2,002)	(2,056)	(2,041)	(2,049)
Accommodation .....	(5,340)	(5,852)	(6,052)	(6,045)	(6,041)	(6,038)	(6,037)
Other payments.....	(4,315)	(3,252)	(4,198)	(4,285)	(4,279)	(4,315)	(4,294)
<b>Receipts</b>							
Sale of goods and services.....	14,844	16,607	16,158	17,111	16,952	17,126	17,328
GST receipts .....	1,484	1,745	1,491	1,579	1,594	1,621	1,657
<b>Net cash from operating activities .....</b>	<b>(9,063)</b>	<b>(6,111)</b>	<b>(8,181)</b>	<b>(6,854)</b>	<b>(7,332)</b>	<b>(7,362)</b>	<b>(7,419)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(1,009)	(963)	(963)	(1,500)	(1,500)	(1,000)	(1,000)
<b>Net cash from investing activities.....</b>	<b>(1,009)</b>	<b>(963)</b>	<b>(963)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(615)</b>	<b>458</b>	<b>(44)</b>	<b>(144)</b>	<b>(376)</b>	<b>(376)</b>	<b>(384)</b>
Cash assets at the beginning of the reporting period .....	3,602	2,069	2,987	2,943	2,799	2,423	2,047
<b>Cash assets at the end of the reporting period .....</b>	<b>2,987</b>	<b>2,527</b>	<b>2,943</b>	<b>2,799</b>	<b>2,423</b>	<b>2,047</b>	<b>1,663</b>

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