

Division 8: Chemistry Centre (WA) —

[Supplementary Information No A15.]

Question: Mr R.H. Cook asked for the asset investment plan and the assets related to the significant revenue opportunities outlined in the significant issues.

Answer: A business case is made for each asset to be purchased with a value in excess of \$20,000. This business case must include the following information:

Financial

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Capital Cost								
Maintenance								
Operating								
Other								
Total Out Flow								
Cost as a % of Capital								
Savings								
New Revenues								
Revenues at risk								
Total Revenue								
Net Cash Flow								
IRR:								

Conformance with Strategy
Demonstrate how the proposed new asset will maintain an essential capability, expand an existing capability or provide a new capability
Identify how this acquisition would enable ChemCentre to expand an existing market(s) or address a new market(s). Explain briefly how this business would be developed
Demonstrate how this acquisition would assist ChemCentre in realising its strategic goals...

Note: “Strategy” is that outlined in the Chemistry Centre “Statement of Corporate Intent” as approved by the Board and tabled by the relevant Minister in Parliament each year.

The major strategic assets for new business initiatives included in the 2013/14 budget papers are for automated sample preparation and Liquid Chromatography–Mass Spectrometry for Toxicology. This is a major project to streamline analytical processes for coronial, criminal and racing toxicology.

Major purchases outlined in the forward estimates are for the replacement of existing equipment which have reached the end of their useful life in providing services in existing business areas.

However due to their inherently greater capability each of these instruments will be able to provide additional capacity and analytical precision where new business is expected, as outlined in “Significant issues” (p119) and “Income” (p123), namely:

- Emerging synthetic drugs
- Clandestine drug laboratory site remediation
- Techniques for assessing the environmental impact of industrial development e.g. airshed testing in ports and mine sites
- Baseline environmental assessments for oil and gas exploration and processing
- Mine sit rehabilitation
- Work place drug testing.

