



Statement of Corporate Intent

2022 - 2023



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Agreement:

The Statement of Corporate Intent (SCI) describes the agreement between ChemCentre and the Minister for Science on the intended priorities and performance.

The Statement of Corporate Intent 2022/23 is consistent with the Strategic Development Plan which details ChemCentre's five-year projections and planning.

Peter McCafferty

Chief Executive Officer, ChemCentre

Our Vision

Chemistry for the benefit of every Western Australian

Our Mission

To provide excellence and innovation in chemical and forensic science, emergency response and research to support the administration of justice and a safe and prosperous WA.

Our Purpose

To deliver chemistry for Western Australia

Our Values

Integrity We strive to operate ethically, sustainably, safely 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 use excellent science to inform and improve everything 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.

Executive Summary

ChemCentre is Western Australia's leading chemical and forensic science service provider. Since its origin in the 1890s as the Western Australian State Government Chemical Laboratory it has continued to play a key role in matters of:

- public and environmental health,
- justice,
- food and agriculture,
- safety and security,
- facilitating state development through the provision of chemistry and related scientific excellence,
- promoting and assisting in the provision of chemistry-based education, and
- conducting collaborative research for the benefit of the State.

ChemCentre's principal activity is to provide specialised chemical and forensic services to enable the state to manage its chemistry-related risks to ensure a safe and prosperous Western Australia (WA). It applies scientific knowledge to solve practical problems to achieve effective outcomes for communities, government and private industry. Within its areas of expertise, ChemCentre contributes to scientific education and knowledge in WA and operates a successful consulting business. The earnings from consulting activities is applied to offset the overall cost of the provision of essential services to government.

ChemCentre operates within the scope of its five-year Strategic Development Plan and its enabling legislation the *Chemistry Centre (WA) Act, 2007* (the Act), which outlines ChemCentre's strategic objectives and the operational targets to achieve these objectives. In summary the functions of ChemCentre are to provide chemical information, advice and analytical service, particularly but not limited to:

- Public health and safety;
- Environmental protection;
- Crisis and emergency response and management;
- Forensic science and medicine;
- Undertake research and development that will or is likely to assist with the development of the State and its other functions;
- Promote and provide chemistry-based education and training;
- Develop our people and organisational capability to ensure financial sustainability.

This Statement of Corporate Intent (SCI) outlines and describes:

1. How ChemCentre's Board and Executive will function in the 2022/23 financial year to achieve the operational targets and the metrics by which performance will be measured;
2. ChemCentre's anticipated operating income and expenditure and its capital expenditure for the 2022/23 financial year; and
3. How ChemCentre will undertake its community service obligations and manage stakeholder expectations.

1. Introduction

The Chemistry Centre WA, trading as 'ChemCentre', provides essential chemical and forensic services to contribute to a safe and prosperous Western Australian community. As a Statutory Authority established under the Act, it applies specialist technical knowledge to practical problems to achieve beneficial effective outcomes for communities, government and industry.

The business model for delivering these services is continually evolving to towards financial sustainability and to ensure ChemCentre's continued to mitigate chemistry-related risks on behalf of the State. ChemCentre conducts collaborative research and innovation (R&I) and participates in scientific education, training and knowledge transfer.

Under s20 of the Act, an annual Statement of Corporate Intent (SCI) is required. This SCI forms part of ChemCentre's 5-year Strategic Development Plan (SDP).

2. 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, research funding bodies, universities and industry. ChemCentre strives to fulfil its mission to provide excellence and innovation in chemical and forensic science, emergency response and applied research to government, industry and other stakeholders. This is done in a context where a benefit to the Western Australian taxpayer is clearly demonstrated.

Our overarching strategic objectives are to:

- Mitigate known (and unknown) 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 State's thoroughbred, harness and greyhound racing industries;
- Support the sustainable economic development of the State;
- Support science capability and engagement in the State;
- Develop our people, maintain and enhance organisational capability and strive for financial sustainability.

3. Operational Targets and Linking to Government Priorities

ChemCentre sets high-level, aspirational targets for the objectives that are aligned with Government goals, in particular supporting stronger communities and the growth in jobs, essential capabilities and the development of skills. We are committed to continually striving to deliver key services in a more cost-effective manner. For the 2022/23 financial year ChemCentre will continue the following strategy:

1. Ensuring it meets targeted productivity gains, government efficiency dividends and ChemCentre projected sales targets.
2. Aligning its risk assessment and treatment for public good services to the government's risk appetite.
3. Achieving continued improvement in customer satisfaction through efficient and effective delivery of recognised and valued, fit-for-purpose services.
4. Ensuring staffing costs and employment metrics align with whole-of-government policy.
5. Ensuring that ChemCentre's strategic asset plan prioritises and identifies the capital required to meet mandated statutory obligations.
6. Leveraging world-leading, applied and collaborative science to pursue research and innovation outcomes that will deliver demonstrated value to the state.

With this direction ChemCentre will pursue opportunities consistent with its mandate and strategic objectives. Of particular focus will be harnessing opportunities that complement the skill sets ChemCentre maintains to address the State's risks. ChemCentre will continue to maintain essential capability for government and offset the overall cost of this by carrying out consultancy work for industry.

Growth in commercial opportunities continue to be pursued with strategically important industries in WA.

Furthermore, in addition to revenue earned from the provision of specific services to government and other clients, ChemCentre has identified that its targeted research and innovation program will contribute to improved scientific capability that is attractive to both government and fee-for-service clients.

Key focus areas expected to exploit growth opportunities are summarised as follows:

1. Targeted research and innovation in support of mining, the environment, food and agriculture, forensic science and emerging industries.
2. Analytical support and consultancy services including provenance, low-level and emerging chemical concerns and more complex analysis.
3. Consultancy and analytical services in support of the State's mining, oil and gas and environmental sectors.
4. Analytical chemistry services targeting occupational health and hygiene and community-health toxicological analyses.
5. Consultancy and analytical services in support of the State's Justice, Police, Prison and Coronial systems.
6. Advanced analytical chemistry and services to support State and National Emergency Response agencies.

7. Advanced analytical chemistry and services to support the Racing and Wagering Industry in Western Australia.
8. Support for emerging industry development in Western Australia. This includes, but is not limited to, food and agriculture, lithium and battery metal industries, hydrogen industry, medicinal chemistry and biodiscovery.

ChemCentre has responded with agility to ensure the wide suite of services required by clients was continually provided during recent (and continuing disruptions). This has been attractive to a number of existing and new clients who have cited ChemCentre's reliability and accredited, high-quality service as a primary reason for engaging with ChemCentre. This has also ensured Western Australian industry has not been disadvantaged by the disruption to transporting samples across state or international borders. Leveraging our well-regarded brand will form part of the strategy to attract, retain and grow services to our commercial client base in 2022/23.

The ChemCentre Board has an Innovation and Growth Committee which provides oversight and direction with ChemCentre's pursuits in progressing research and innovation solutions that are attractive to industry, support government initiatives and grow its position in key commercial markets.

While pursuing these opportunities ChemCentre will endeavour to:

1. Ensure that it is rightly recognised as a premium service provider, with recognised excellence in delivery timeliness, quality and scientific innovation.
2. Provide highly valued, robust consultancy services including forensic science intelligence for criminal investigations.
3. Be an employer of choice with a commitment to staff development, rewarding working conditions and recognition of team and individual excellence.
4. Maintain the required, fit-for-purpose equipment capability and systems.
5. Undertake targeted, applied Research and Innovation to ensure State risks are managed in the most appropriate, cost-effective and contemporary manner.
6. Foster high quality relationships at state, national and international levels.

To achieve this ChemCentre will strive to ensure it:

1. Maintain the breadth of people, skills and instrument capabilities required to rapidly respond to major risk events.
2. Develop and maintain relationships with first responder agencies (state, national and international) and other organisations to ensure it fulfils its emergency response requirements.
3. Informs where possible, policies, regulations and practices that address the State's emergency, forensic and chemistry-related risks.
4. Partners with its key stakeholders and other relevant parties through collaborative agreements and commercial arrangements.
5. Engages in formal and informal partnerships with other stakeholders to leverage the ChemCentre brand in service arrangements.

4. Major Initiatives for Achieving Strategic Objectives

Given the strategic objectives outlined above, ChemCentre intends to undertake several major initiatives during 2022-2023, which will make a significant contribution towards these five-year objectives. These are outlined in Table 1.

Table 1: Major initiatives planned for 2022/23.

Core responsibility	Implementation	2022/23 Goals
1. Mitigate risks to government associated with public health, public safety and the environment	<ul style="list-style-type: none">• Identify and assess chemistry-related risks to the health, safety and environment of the State and its citizens• Collaborate with key government agencies to mitigate chemistry-related risks• Deliver quality chemistry-based scientific services to assist in addressing risks to the State• Maintain and expand the suite of memoranda of understanding (MoU) and Heads of Agreement (HoA) underpinning collaboration with key State and Commonwealth government organisations	<ul style="list-style-type: none">• Continue to manage a government stakeholder engagement program to determine shared responses to State chemical risks particularly in high-risk areas of crisis response, public health and environmental incidents, with particular focus on emerging risks• Continue to monitor ChemCentre's role in management of the State's chemistry-related risks, in consultation with the Minister and relevant government agencies• Continue to build on the priority areas of collaborative Research & Innovation based on identified and emerging State risks and opportunities in alignment with the objectives of the <i>Chemistry Centre (WA) Act 2007</i> and published State government science priorities

Core responsibility	Implementation	2022/23 Goals
2. Keep the State safe during times of emergency and crisis	<ul style="list-style-type: none"> • Deliver emergency response and chemical hazard response services to the State • Collaborate on all relevant State Emergency Management Plans (WestPlans) • Manage national and international relationships with relevant chemical hazard, emergency response and counterterrorism agencies • Ensure that systems and capabilities established to respond to emergencies and crises can mobilise within required timeframe 	<ul style="list-style-type: none"> • Continue to conduct collaborative training programs in conjunction with State Hazard and Emergency Management Agencies and collaborating partner agencies • Review and modify protocols, based on a collaborative approach and agreed best practice, with state, national and international partners to inform decision making in response to chemical hazards, emergencies and terrorism incidents • Maintain the level of expertise to respond to hazardous incidents, particularly in the area of emerging hazards • Report on the schedule of potential chemical risks for key industrial precincts in WA (including the new battery mineral and medicinal cannabis industries). • Trial, through mock scenarios and real incidents, deployment of emergency response in collaboration with DFES and other relevant agencies
3. Support the State justice and policing systems	<ul style="list-style-type: none"> • Deliver evidentiary forensic science services that meet key agency requirements • Provide new or improved services in forensic science to meet emerging requirements • Expand the range of services to WA Police and justice system to support science-based policing including a human hair proteome capability and peptide areas 	<ul style="list-style-type: none"> • Expand forensic intelligence services, based on international trends and targeted laboratory investigations, to improve the efficient and reliable delivery of client outcomes • Investigate and lead Research & Innovation opportunities to harness new technologies and methodologies in forensic science

Core responsibility	Implementation	2022/23 Goals
4. Support the sustainable economic development of the State	<ul style="list-style-type: none"> • Partner with government and industry to investigate risks to and emerging opportunities for State development • Deliver a comprehensive suite of analytical services support sustainable economic development for the State • Increase nimbleness in responding to identified opportunities to support State development • Develop innovative and commercial products that are attractive to industry to provide new income streams 	<ul style="list-style-type: none"> • Investigate services to assist the State with development of new industries e.g. hemp, medicinal cannabis, sandalwood cultivation, food security and provenance, etc • Maintain equipment and expertise to facilitate services available to industry in line with risk priorities and private sector business opportunities (current and emerging) • Engage with key CRCs (current and emerging) and other agencies to collaborate and deliver innovative solutions that have financial benefits to the State • Target leading research associated with mining and the environment (including battery minerals and hydrogen), food and agriculture, water resources and renewable energy
5. Support science capability and engagement in the State	<ul style="list-style-type: none"> • Collaborate with key bodies to support State science capability • Identify and respond to Research and Innovation areas relevant to ChemCentre • Deliver a chemistry-based education and outreach program that supports science capability and STEM engagement • Assist with the development of a State Biodiscovery initiative 	<ul style="list-style-type: none"> • Develop high-level engagement with the State's key science research and development groups • Develop training programs to address the key skills required to deliver a sustainable R&I portfolio • Expand and expand a proteomics capability to support science requirements collaboratively with partner agencies • Conduct ChemCentre Open Day (biennially), collaboratively with client departments and key scientific agencies in alignment with State STEM priorities and community expectations

Core responsibility	Implementation	2022/23 Goals
<p>6. Develop our people, enhance organisational capability that also supports financial sustainability</p>	<ul style="list-style-type: none"> • Plan and support relevant staff development, including leadership capabilities, skills training, mentoring and performance development • Enhance ChemCentre’s culture of client engagement • Maintain and expand business opportunities, utilising the skills developed to service government requirements to service other clients where appropriate • Establish a framework for reviewing practices, systems and standards to maintain our brand based on reliability, high-quality and integrity 	<ul style="list-style-type: none"> • Targeted Research & Innovation leading to an increased capability across specific areas, attractive to industry and government clients • Implement more meaningful, robust and measurable KPIs (and KVs) for reporting • Develop staff skills in line with forecast business requirements ensuring staff flexibility through multi-skilling • Review and develop processes for R&I including reporting frameworks and accountability based on WATC guidelines • Continue development of OneLIMS to further support laboratory requirements and continue to deliver operational and reporting efficiencies

5. Operations and Accountability

ChemCentre undertakes a range of activities required by government. ChemCentre ensures all activities are undertaken to a high, robust and defensible standard in the most efficient manner possible.

ChemCentre fee-for-service charges are determined in line with the WA government guidelines. This includes an annual review of fees and charges.

Fully-funded Emergency Response and Community Service Obligations are provided with no margin as costs are directly recovered from appropriations or under existing MOUs. The work undertaken for WA Police is subject to a 4% margin, which is a small contingency to cover variability in demand across the service areas. The Board oversees the framing of ChemCentre's annual budgets and monitors performance.

Some ChemCentre services are required where there is no readily identifiable agency or funding body to pay for those services but where there is still a government responsibility to undertake them. Within its remit, ChemCentre funds these services as Community Service Obligations funded through appropriations, as outlined in Table 2. An example of this is liaison with key Federal Government agencies.

In aggregate combined CSO activities represent around 20% of the activities of ChemCentre, although, due to operational imperatives, the specific percentage at both an aggregate and individual level varies from year to year.

A dedicated cost model developed in consultation with the Department of Treasury, determines how costs are calculated against CSO. That has also been documented as part of ChemCentre's CSO framework and periodic audits are undertaken to ensure appropriate rigour in costing methodology.

Research and Innovation

ChemCentre undertakes Research and Innovation (R&I), also referred to as Research and Development, R&D) within the context of its enabling legislation. The R&I plan is approved by the Executive and Board to ensure consistency with the major strategic objectives and therefore with the State's risk exposure.

R&I objectives are determined as part of and consistent with ChemCentre's strategic planning and are in line with its strategic objectives. ChemCentre's efforts centre on applied and collaborative R&I to solve problems for government and the State's industrial, mining, agricultural, environmental and forensic science sectors. Although the *Act* stipulates that pure research could be undertaken ChemCentre chooses to concentrate on applied, most often collaborative, R&I including advanced method development of scientific techniques and process improvements.

ChemCentre maximises its R&I budget by leveraging funds from external funding organisations and collaborations with other government agencies, the university sector and industry. This provides greater return for the State than would be the case if ChemCentre limited its activities to only those funded by the State. The ratio of external funding to appropriation (Public Good) of R&I, is generally more favourable than 1:1 annually. In some cases, the ratio of return is considerably more favourable. ChemCentre is increasingly contracted by private industry to solve applied research problems at full cost recovery. This is a beneficial outcome for both industry and government and a valuable demonstration and endorsement of ChemCentre direction.

Within the context of appropriation expenditure, the relative amounts proposed for 2022/23 are set out in Table 2.

Table 2: Appropriations by area.

Appropriation Expenditure by Area	2022/23 (% of total)
Emergency Response	11.8
Public Health and Safety	6.7
Sustainable Industry	28.6
Essential Infrastructure	37.0
Education and Outreach	5.8
Law and Order	4.6
Salaries and Allowances Act 1975	5.5
TOTAL USE OF APPROPRIATIONS	100

Infrastructure

ChemCentre is located in purpose-built laboratory in Bentley on the Curtin University campus on a lease through to 2029 (with options to extend the term of the lease).

Assets

As a government-owned organisation, ChemCentre’s scientific infrastructure is underpinned by our Strategic Asset Plan, developed in accordance with Treasury parameters. The ten-year rolling Strategic Asset Plan (SAP) is within the context of government’s Strategic Asset Management Framework. ChemCentre’s assets are managed in accordance with the requirements of Treasurer’s Instruction 406 “Custody of Public Property” s10.c.ii of the Act. Expenditure associated with the Plan is published in the budget papers.

Our Strategic Asset Plan is prioritised by focussing on the management of chemical-related risks for the State in the most cost-effective manner and in conjunction with an assessment of the reliability and maintenance costs of existing assets. Purchases of new assets are only progressed after rigorous assessment and justification.

Fee-for Service Activities

ChemCentre’s enabling legislation permits it to engage in commercial activities where capacity and demand exists. ChemCentre reviews fees and charges annually in accordance with Treasurer’s Instruction (TI 810). The Minister for Science, under the *State Trading Concerns Act 1916*, also authorises ChemCentre’s Chief Executive Officer to set rates and charges out of cycle in response to, for example, market conditions or specific commercial opportunities.

Charges are set in line with Government’s “Costing and Pricing Government Services 2015” guidelines. Typically, ChemCentre will specify a full cost recovery model for its charges to government clients. In some cases a small margin is applied under agreed Memoranda of Understanding (MoU) and Service Level Agreements. The specific service level requirements for the Western Australia Police and the Office of the State Coroner are renegotiated each year. The range of services provided by ChemCentre in each of its functional areas are outlined in Table 3.

ChemCentre also provides high-level scientific advice and related policy opinions to government via formal interagency committees and less formally via specific problem-solving committees. These include those for key issues in the justice system, environmental testing, and assisting in the legislative reform process.

The planned operating income and expenditure for ChemCentre over the planning period is outlined in Appendix 2. The planned operating income acknowledges the competitive market that exists in some areas in which ChemCentre operates.

Table 3. ChemCentre’s Functional Areas



INCOME STATEMENT ^(a) (Controlled)

	2022-23 Budget Year \$'000
COST OF SERVICES	
Expenses	
Employee benefits ^(b)	16,233
Supplies and services.....	2,924
Accommodation	5,763
Depreciation and amortisation	2,270
Finance and interest costs	4
Other expenses	3,890
TOTAL COST OF SERVICES	31,084
Income	
Sale of goods and services.....	5,931
Other revenue	73
Total Income	6,004
NET COST OF SERVICES	25,080
INCOME FROM STATE GOVERNMENT	
Service appropriations	7,191
Resource received free of charge.....	-
Other revenues ^(c)	16,305
TOTAL INCOME FROM STATE GOVERNMENT ..	23,496
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(1,584)

- (a) Full audited financial statements are published in the agency's Annual Report.
- (b) The Full-Time Equivalents for the 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Estimate are 135, 141 and 143 respectively.
- (c) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have moved all revenue received from Government out of the calculation of Net Cost of Services and into income from State Government. This may have increased Net Cost of Services compared to previously published Budgets.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2022-23 Budget Year \$'000
CURRENT ASSETS	
Cash assets	4,551
Restricted cash	456
Receivables	2,997
Other	733
Total current assets	8,737
NON-CURRENT ASSETS	
Property, plant and equipment	7,456
Intangibles	893
Other	4,315
Total non-current assets	12,664
TOTAL ASSETS.....	21,401
CURRENT LIABILITIES	
Employee provisions.....	2,826
Payables.....	459
Borrowings and leases	24
Other	1,227
Total current liabilities	4,536
NON-CURRENT LIABILITIES	
Employee provisions.....	1,440
Borrowings and leases.....	24
Other.....	26
Total non-current liabilities	1,490
TOTAL LIABILITIES.....	6,026
EQUITY	
Contributed equity	23,526
Accumulated surplus/(deficit)	(8,151)
Total equity	15,375
TOTAL LIABILITIES AND EQUITY	21,401

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

STATEMENT OF CASHFLOWS ^(a) (Controlled)

	2022-23 Budget Year \$'000
CASHFLOWS FROM STATE GOVERNMENT	
Service appropriations	7,191
Capital appropriation	2,500
Other ^(b)	16,074
Net cash provided by State Government	25,765
CASHFLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(16,210)
Supplies and services	(2,964)
Accommodation	(5,972)
GST payments	(2,015)
Finance costs	(4)
Other payments	(4,019)
Receipts	
Sale of goods and services	5,866
GST receipts	2,014
Other receipts	11
Net cash from operating activities	(23,293)
CASHFLOWS FROM INVESTING ACTIVITIES	
Purchase of non-current assets	(2,500)
Net cash from investing activities	(2,500)
CASHFLOWS FROM FINANCING ACTIVITIES	
Repayment of borrowings and leases	(39)
Net cash from financing activities	(39)
NET INCREASE/(DECREASE) IN CASH HELD	(67)
Cash assets at the beginning of the reporting period	5,074
Cash assets at the end of the reporting period	5,007

- (a) Full audited financial statements are published in the agency's Annual Report.
- (b) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* implemented since the 2020-21 Budget have reclassified revenue received from Government from the Cashflows from Operating activities category to the Cashflows from State Government category. This may have changed the Net Cash provided by State Government and Net cash from operating activities compared to previously published Budgets.

Appendix 2. Key Performance Indicators

Effectiveness Indicators	2022-23 Target
<i>Outcome: Quality research and innovation</i>	
Contribution to scientific forums	60
<i>Outcome: Quality scientific advice</i>	
Proficiency rating for the accredited services	95%
<i>Outcome: Quality emergency response</i>	
Average mobilisation time for emergency response incidents	20 min
Availability of emergency response workforce to meet agreed inter-agency requirements	100%

Efficiency Indicators	2022-23 Target
<i>Service 1: Research and Innovation</i>	
Publications per R&I FTE	2.9
<i>Service 2: Commercial Scientific Information and Advice</i>	
Average cost of providing commercial scientific information and advice per applicable FTE	\$243,000
<i>Service 3: Emergency Response Management</i>	
Average cost to maintain an emergency response capability per Western Australian	\$0.82