



Statement of Corporate Intent

2024/25



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Agreement:

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

The Statement of Corporate Intent 2024/25 is consistent with the Strategic Development Plan which details ChemCentre’s five-year projections and planning.

Acknowledgement of Country

ChemCentre acknowledges and pays respect to Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. ChemCentre is located on the lands (boodjar) of the Wadjuck Noongar People. We consider it a privilege to share and work on these lands. We acknowledge the continuing cultural, spiritual, and educational practices of First Nation Peoples across our nation and the Aboriginal People who have walked this country for more than 50,000 years. We honour and pay respect to the past, present and emerging leaders, and their connection to this country.

Peter McCafferty
Chief Executive Officer, ChemCentre



Executive Summary

ChemCentre is Western Australia's foremost provider of chemical and forensic science services. ChemCentre has a history that can be traced to the 1890s when it was the Western Australian State Government Chemical Laboratory. Since that time, ChemCentre has consistently played a pivotal role in diverse areas, including public and environmental health, justice, food and agriculture, safety, and security. Moreover, it has actively contributed to state development by delivering excellence in chemistry and related sciences to enable business development and continuity.

Our organisation is integral to Western Australia's chemistry education and conducts collaborative, applied research for the state's benefit. At its core, ChemCentre specializes in providing tailored chemical and forensic science services, crucial for managing chemistry-related risks to ensure the safety and prosperity of Western Australia (WA). By applying scientific knowledge, we address practical challenges and provide effective outcomes for communities, government entities, and private industries.

In addition to its core responsibilities, ChemCentre actively operates a successful scientific consulting business. The earnings generated through this activity are strategically utilised to offset the overall cost of delivering essential services to the government. ChemCentre stands as a dynamic statutory authority, leveraging scientific expertise to contribute significantly to the well-being, safety and progress of Western Australia.

ChemCentre operates within the scope of its five-year Strategic Development Plan (SDP) and under the legislation of the *Chemistry Centre (WA) Act, 2007* (the Act), which outlines ChemCentre's strategic objectives and the operational targets. The Act-defined 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 scientific capability towards financial sustainability.

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

- How ChemCentre's Board and Executive will function in the 2024/25 financial year to achieve the operational targets and the metrics by which performance will be measured.
- ChemCentre's anticipated operating income and expenditure and its capital expenditure for the 2024/25 financial year.
- How ChemCentre will undertake its community service obligations and manage the expectations of all its stakeholders.

1. Introduction

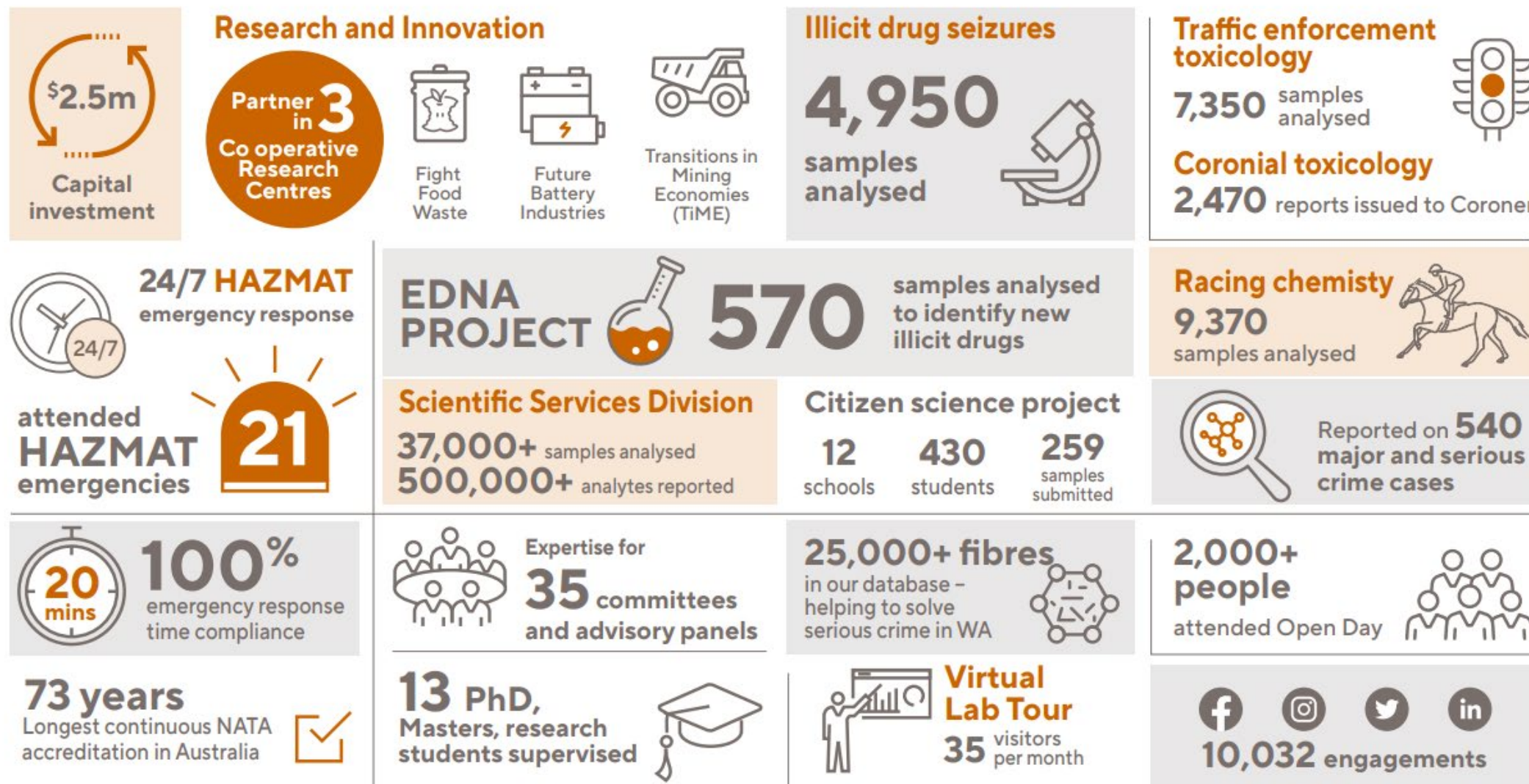
The community of Western Australia is the primary beneficiary of ChemCentre's services. Our major stakeholders include the Government of Western Australia (directly and through government clients), Government, the public, research funding bodies, universities, and industry.

ChemCentre fulfils its mission by providing contemporary excellence and innovation in chemistry and forensic science, emergency response and targeted applied research to government, industry and other stakeholders. This is achieved in a context where benefits to the Western Australian taxpayer can be clearly demonstrated.

ChemCentre plays a crucial role in fostering a safe and prosperous community in Western Australia through the provision of essential chemical and forensic services. ChemCentre utilises specialised technical expertise to address practical challenges, generating effective outcomes for its stakeholders. The organisation is committed to an evolving business model that aims for financial sustainability across all its business. This strategic approach ensures that ChemCentre consistently mitigates chemistry-related risks on behalf of the State, adapting to the changing landscape of service delivery.

ChemCentre is required to submit an annual Statement of Corporate Intent (SCI). This document is an integral part of ChemCentre's comprehensive 5-year Strategic Development Plan (SDP), reflecting its commitment to long-term planning and development, and alignment with the scientific goals of Western Australia.

At a Glance- the year in review 2023



2. Strategic Direction

The community of Western Australia is the primary beneficiary of ChemCentre's services.

We serve as a primary service provider for a diverse range of clients, including the Government of Western Australia (both directly and through client Departments), Government Trading Enterprises (GTEs), the public, research funding bodies, universities, and industry. At ChemCentre, our mission is dedicated to delivering excellence and innovation in chemical and forensic science, emergency response, and applied research to government, industry, and various stakeholders.

Our commitment extends to ensuring that our services demonstrate a tangible benefit to the Western Australian taxpayer. We strive to fulfill our mission in a context where the value and impact of our contributions are clear and contribute to the current and future well-being of the community.

Our overarching strategic objectives, based on our governing *Act* are to:

- Mitigate chemistry-related risk to government associated with public health, public safety, industrial development, and the environment;
- Keep the State safe during times of emergency and crisis;
- Support the State's justice and policing systems;
- Support the sustainable economic development of the State through the provision of science;
- Support science capability, education, and science engagement in the State;
- Develop our people, maintain, and enhance organisational capability and strive for financial accountability;
- To earn revenue by engaging in commercial activities that are not inconsistent with the performance of its other functions.

3. Major Initiatives for Achieving Strategic Objectives

Given the strategic objectives outlined above, ChemCentre intends to undertake several major initiatives during 2024-2025, which will make a significant contribution towards these five-year objectives. Against a background of continued delivery of traditional and expected services we intend to focus on four key strategic areas in 2024/25.

1. Extend the relationship with WA Police.
2. Develop and valorise ChemCentre's Research and Innovation Portfolio.
3. Increase our focus on stakeholder engagement and value.
4. Investigate and implement new technologies to deliver increased value.

Business plans will be implemented and actioned across each of these key areas.

4. Operational Targets and Linking to Government Priorities

ChemCentre aspires to targets and objectives that align with Government goals, with a particular focus on protecting communities and enabling jobs growth, providing essential services, and scientific skills development. Our commitment is to consistently provide essential services in a fit-for-purpose and cost-effective manner. In the 2024/25 financial year, ChemCentre will continue to implement a dynamic strategy based on:

1. Ensuring it meets targeted productivity gains, government efficiency dividends and projected revenue targets.
2. Aligning its risk assessment and maintenance of services within the government's risk appetite.
3. Continuing to achieve high levels of stakeholder satisfaction through efficient and effective delivery of valued, fit-for-purpose services.
4. Ensuring staffing costs and employment metrics are optimised and align with government policy.
5. Ensuring that ChemCentre's strategic asset plan prioritises and identifies the capital required to meet its statutory obligations.
6. Use our world-leading scientific practices as a template to increase effective outcomes throughout our business to deliver highly valued scientific returns to the state.

With this direction ChemCentre will pursue opportunities consistent with its mandated and strategic objectives. Of particular focus will be harnessing opportunities and new technology and practices that complement the existing skill sets that ChemCentre maintains. ChemCentre will continue to maintain an essential capability for government and offset the overall cost by carrying out consultancy work for industry in key areas.

Growth in consultancy or commercial opportunities will continue to be pursued in areas that have strategic value to Western Australia. This may include, but not be limited to, critical minerals, medicinal chemistry, and support for developing industries.

ChemCentre has identified that its targeted research and innovation program will contribute to improve scientific capability that is attractive to both government and industry clients.

Key focus areas expected to demonstrate 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. Scientific support and services across a range of new and existing industries.
3. Consultancy and analytical services in support of the State's mining, oil and gas and environmental sectors
4. Scientific services facilitating responsible occupational health and hygiene, and community-health areas.
5. Consultancy and analytical services, utilising new and existing technologies, in support of the State's Justice, Police, Racing and Wagering, and Coronial systems.
6. Advanced analytical chemistry and services to support State and National Emergency Response agencies.

7. Support for emerging industry development in Western Australia. This includes, but is not limited to, food and agriculture, battery metal industries, medicinal chemistry and biodiscovery.

ChemCentre's reliability and accredited, high-quality services are continually stated as a primary reason for engagement across our broad range of stakeholders. This attribute is also cited from clients and institutions across national and international borders. In the 2024/25 financial period, we will continue to leverage our highly valued brand as a key element of our strategy to attract, retain, and expand our services.

The Board plays a vital role in ChemCentre's strategic direction, providing oversight and direction in prioritising and advancing research and innovation solutions. These prioritised directions are designed to align with future industry needs, support government initiatives, and enhance our position in key, high-value markets. The Board actively guides ChemCentre's efforts to drive innovation, foster growth, and maintain a strong presence in the evolving landscape of chemical and forensic science services.

While pursuing these opportunities ChemCentre will endeavour to:

1. Ensure that it is recognised as a premium service provider, with demonstrated excellence in service delivery.
2. Provide highly valued, robust consultancy services.
3. Be seen as an employer of choice with a commitment to staff development, rewarding working conditions and recognition of team and individual performance.
4. Maintain readily deployable robust, fit-for-purpose equipment, capability, and systems.
5. Undertake targeted Research and Innovation to ensure State risks are managed in the most appropriate, cost-effective and contemporary manner.
6. Foster high quality relationships with state, national and international entities across a broad range of stakeholder groups.

To achieve this ChemCentre will ensure it:

1. Maintains appropriate levels of staff with a breadth of skills and instrument capabilities required to respond to major risk events and opportunities.
2. Develops and maintain relationships with first responder, emergency service agencies (state, national and international) and other organisations to effectively fulfil its emergency response obligations.
3. Informs applicable policies, regulations and government practices that apply to the State's emergency, forensic science, environmental and other related risk areas.
4. Partners with 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 level agreements.

Operations and Accountability

ChemCentre undertakes a range of activities required by government and valued by industry. ChemCentre ensures all activities are undertaken to an appropriately high, robust and defensible standard in the most cost-effective and efficient manner.

ChemCentre service charges are determined in line with government guidelines. This includes an annual review of fees and charges. Emergency Response and Community Service Obligations are provided to the relevant agencies with no margin above costs and are directly recovered from appropriations, via Memoranda of Understandings (MOU) and accompanying service level agreements. The work undertaken for WA Police includes a modest contingency to cover costs beyond ChemCentre's control. 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 government has a responsibility to undertake them. Within the remit of the *Act*, ChemCentre funds these services as Community Service Obligations (CSO) funded through appropriations.

A dedicated cost model, developed in consultation with the Department of Treasury, determines how CSO costs are attributed. This is documented as part of ChemCentre's CSO framework and periodic audits are undertaken to ensure appropriate rigour and accountability in costing.

Research and Innovation

ChemCentre undertakes Research and Innovation (R&I), sometimes referred to as Research and Development in other organisations, within the context of its enabling legislation. The R&I plan is approved by the Executive and Board to ensure alignment with strategic objectives and the State's risk profile and overall Science agenda.

ChemCentre focuses on applied and collaborative R&I to solve current and future problems for government and to facilitate State development. Although the *Act* stipulates that pure research could be undertaken, ChemCentre chooses to focus on applied R&I including method development and process improvement. All R&I objectives demonstrate a clear benefit to the State.

ChemCentre optimises its R&I budget by leveraging funds from external funding sources and by collaboration with other government entities (including Federal government entities), 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 directly State funded. ChemCentre is increasingly contracted by industry to solve applied research problems. These are carried out at full cost recovery. This is a beneficial outcome for both industry and government and a valuable endorsement of ChemCentre's unique capabilities.

Within the context of CSO appropriation expenditure, the relative amounts proposed for 2024/25 are set out in Table 1.

Table 1: Proposed Appropriations by Area.

Appropriation Expenditure by Area	2024/25 (% of total)
Emergency Response	4.8
Public Health and Safety	6.0
Sustainable Industry	35.6
Essential Infrastructure	43.7
Education and Outreach	1.7
Law and Order	5.6
Salaries and Allowances Act 1975	2.6
TOTAL USE OF APPROPRIATIONS	100

Infrastructure

ChemCentre is located in a purpose-built laboratory in Bentley on the Curtin University campus under a 'non-commercial lease' arrangement. The current lease runs to 2029, with options to extend to 2049.

Assets

ChemCentre's scientific infrastructure is underpinned by a 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 annual budget papers.

Our Strategic Asset Plan prioritises the purchase of assets to manage the chemistry-related risks for the State in a cost-effective and fit-for purpose manner . Purchases of new assets are only progressed after rigorous business and risk assessment scrutiny and justification. Assets are depreciated according to the relevant government guidelines.

Fee for Service Activities

ChemCentre's enabling legislation encourages it to engage in commercial activities where capacity and demand exists, and other obligations are not compromised. 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*, authorises ChemCentre's Chief Executive Officer to set rates and charges out of cycle, in response to market conditions or specific commercial opportunities as appropriate. Charges are set in line with Government's "Costing and Pricing Government Services 2015" guidelines.

The specific service level requirements for major government clients are renegotiated periodically, in line with demand and market costs. ChemCentre's functional areas are outlined in Table 2.

ChemCentre also provides high-level scientific advice and related policy opinions to government (State and Federal) via formal interagency committees and through specific problem-solving committees or

working groups. These include those in the justice system, environmental testing, industry development, accreditation and in legislative reform processes.

The planned operating income and expenditure for ChemCentre over the planning period is outlined in Appendix 1 and the Key Performance Indicators are outlined in Appendix 2.

Table 2. ChemCentre’s Functional Areas



INCOME STATEMENT ^(a) (Controlled)

	2024-25 Budget Year \$'000
COST OF SERVICES	
Expenses	
Employee benefits ^(b)	19,374
Supplies and services.....	3,656
Accommodation	5,968
Depreciation and amortisation	3,087
Finance and interest costs	6
Other expenses	4,612
TOTAL COST OF SERVICES	36,703
Income	
Sale of goods and services.....	6,592
Other revenue	41
Total Income	6,633
NET COST OF SERVICES	30,070
INCOME FROM STATE GOVERNMENT	
Service appropriations	9,389
Resource received free of charge.....	10
Other revenues ^(c)	18,568
TOTAL INCOME FROM STATE GOVERNMENT ..	27,967
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(2,103)

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

(b) The Full-time equivalent for the 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Estimate are 142, 147 and 149 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2024-25 Budget Year \$'000
CURRENT ASSETS	
Cash assets	8,042
Restricted cash	627
Receivables	1,592
Other	1,121
Total current assets	11,382
NON-CURRENT ASSETS	
Property, plant and equipment	11,439
Intangibles	1,399
Other	3,349
Total non-current assets	16,187
TOTAL ASSETS	27,569
CURRENT LIABILITIES	
Employee provisions	3,620
Payables	256
Borrowings and leases	67
Other	683
Total current liabilities	4,626
NON-CURRENT LIABILITIES	
Employee provisions	1,279
Borrowings and leases	96
Other	-
Total non-current liabilities	1,375
TOTAL LIABILITIES	6,001
EQUITY	
Contributed equity	33,718
Accumulated surplus/(deficit)	(12,150)
Total equity	21,568
TOTAL LIABILITIES AND EQUITY	27,569

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

STATEMENT OF CASHFLOWS ^(a) (Controlled)

	2024-25 Budget Year \$'000
CASHFLOWS FROM STATE GOVERNMENT	
Service appropriations	9,389
Capital appropriation	4,179
Other ^(b)	18,380
Net cash provided by State Government	31,948
CASHFLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(19,275)
Supplies and services	(3,757)
Accommodation	(6,174)
GST payments	(2,112)
Finance costs	(6)
Other payments	(4,716)
Receipts	
Sale of goods and services	7,066
GST receipts	2,112
Other receipts	11
Net cash from operating activities	(26,851)
CASHFLOWS FROM INVESTING ACTIVITIES	
Purchase of non-current assets	(4,179)
Net cash from investing activities	(4,179)
CASHFLOWS FROM FINANCING ACTIVITIES	
Repayment of borrowings and leases	(57)
Net cash from financing activities	(57)
NET INCREASE/(DECREASE) IN CASH HELD	861
Cash assets at the beginning of the reporting period	7,808
Cash assets at the end of the reporting period	8,669

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

Appendix 2. Key Performance Indicators

Effectiveness Indicators	2024-25 Target
<i>Outcome: Quality research and innovation</i>	
Contribution to scientific forums	70
<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	2024-25 Target
<i>Service 1: Research and Innovation</i>	
Publications per R&I FTE	3.2
<i>Service 2: Commercial Scientific Information and Advice</i>	
Average cost of providing commercial scientific information and advice per applicable FTE	\$273,000
<i>Service 3: Emergency Response Management</i>	
Average cost to maintain an emergency response capability per Western Australian person	\$0.70