

# **ROYAL AUSTRALIAN CHEMICAL INSTITUTE**

## **ANALYTICAL CHEMISTRY DIVISION**

**Telephone Meeting, 4 April 2000, 11:00 am EST**

- 1. Apologies**
- 2. Minutes of Previous Meeting** (Attachment I)
- 3. Finances**
  - Analytical Chemistry Division
  - RACI Funds (Attachment II)
  - Centralisation (Attachment III)
- 4. Conferences**
  - 16AC
  - IUPAC 2001-11-16
  - Standards Australia (Attachment IV)
- 5. Nomination of Emeritus Professor Lloyd Earle Smythe for an award within the Order of Australia**
- 6. Other Business**
- 7. Next Meeting**

**ROYAL AUSTRALIAN CHEMICAL INSTITUTE  
ANALYTICAL CHEMISTRY DIVISION**

**MINUTES  
GENERAL MEETING, 25 NOVEMBER, 1999**

Meeting commenced at 11:00 am, 25 November 1999

On Line: Brynn Hibbert, Stuart Carswell, Clarrie Ng, David Parry, David Davey, Paul Haddad, Allan Poynton, Ian McKelvie.

**1. APOLOGIES**

Greg Dicinoski, Philip Marriott, Roland DeMarco, Danny Wong, Geoff Scollary, Peter Carpenter

**2. MINUTES OF PREVIOUS MEETING**

Minutes of the previous meeting were approved without amendment.

**3. FINANCES**

Deferred until the next meeting.

**4. CONFERENCES**

**4.1 16AC**

C.Ng reported that there had been difficulty finding a Chairperson for the organising committee but that the NSW Analytical Group was looking to recruit Michael Guilhaus – to be discussed further. Discussions had been held with Alan Laurenson – Scientific Suppliers Association – in collaboration with Science 2002 RACI would get the venue gratis. (Rose Hill Gardens). The program would have a broad subject base, including metrology, electrochemical, environmental (discussions to be held with Bill Maher), chromatography, forensic science.

Members of NSW group are fully supportive of the bid.

P.Haddad questioned the availability/suitability of the Scientia Centre at UNSW. What is possibility of low cost University accommodation? C.Ng noted this concern – although B.Hibbert suggested that the provision of a free conference venue was attractive. D.Davey would provide feedback on Rose Hill Gardens accommodation and conference facilities.

W.Maher informed the committee that Environmental Chemistry Division would be agreeable to hold a joint Environmental Conference with the AC. There was the sensitivity that the Environmental Division did not wish to lose its identity.

P.Haddad suggested that the loss on 15AC was of the order of \$30,000, and that there was a lot riding on the outcome of 16AC, and that the responsibility to make it a success should be carried by the whole Division rather than just the local committee.

B.Hibbert suggested there was a need for a brief meeting as soon as possible to get an update on progress in selecting an organising committee.

#### **4.2 RSC Electronic Conference**

B.Hibbert reported that the RSC electronic conference had been cancelled, and recorded thanks to all who had submitted material.

#### **4.3 7<sup>th</sup> R&D Conference**

B.Hibbert reported that there were 80 registrants, 32 requests from interstate students. Estimated travel bursaries would be of the order of 53% of the total travel cost. The organisers had requested additional funds. However, there was general agreement that the level of sponsorship should be approximately 50% of the travel cost, and that there would be no further advance on the \$5000 already provided.

#### **4.4 8<sup>th</sup> R&D Conference**

W.Maher indicated that students with strong Environmental interests had previously attended R&D. They requested that R&D Topics be extended to include the environmental students. On this basis the Environmental Division would offer support.

D.Davey and A.Poynton supported a broader perspective. The suggestion was endorsed and Bill was asked to take the idea to the Environmental Division for approval.

#### **4.5 Flow Analysis IX**

I.McKelvie reported that D.Davey, Neil Barnett, Simon Lewis, Daryl Tucker and he had assembled a committee to bid for the Flow Analysis IX conference. He and D.Davey were seeking the Division's support for this meeting. If the bid was successful, the bid committee would seek to widen the membership of the committee, and would approach the Division regarding modest sponsorship or underwriting. Moral support for the bid was approved.

### **5. VISITING LECTURER**

B.Hibbert had two suggestions for the Visiting Lecturer in 2000:

    Bernard King – Part-time director NARL, metrologist/chemometrics  
    Andre Lawrence – Canadian Customs Lab.

The latter will visit Australia and is looking for some support.

W.Maher questioned whether there were sufficient funds to support the lecturer.

P.Haddad – Snady Das Gupta – informed that program was off. Forward continuence of program, but at lowest cost possible.

D.Davey suggested the Forensic Science Group in SA would strongly support a SA activity.

B.Hibbert - suggest flat amount of \$1000 would secure either one as analytical lecturer.

It was agreed to offer \$1000 to Andre Lawrence and that B.Hibbert would liaise with local Groups to gauge support for this visit.

## **6. AWARDS**

### **6.1 Heinrich Emanuel Merck**

Mike Guilhaus was put forward as a likely candidate for this award, and B.Hibbert agreed to approach him regarding submission of an application.

### **6.2 Young Chemist Award**

D.Davey argued that young professionals (<30) are missing out on kudos due for outstanding performance, and that it could be advantageous to use a Young Chemist Award to recognize the contribution of the recipient and raise the public profile of the profession.

It was proposed that the award could be presented at R&D/AC meetings. Possible support for award of up to \$500.

Action: D.Davey to develop the idea further and to put up a firm proposal at the next meeting.

### **6.3 RACI National Awards**

P.Haddad suggested that there was a need for the Division and Analytical Chemistry to develop a higher profile.

B.Hibbert suggested that P.Haddad be nominated for the HG Smith Medal, and P.Haddad was happy to be nominated.

Suggestions for nominees for the Applied Chemistry Medal included Gordon Wallace and Mike Guyilhaus.

Action: B.Hibbert/D.Wong to obtain rules and organise nominations for these awards.

## **7.0 OTHER BUSINESS**

### **7.1 Report from Full Council**

B.Hibbert gave a report on Full Council Meeting 14 & 15 November. The major discussion had focussed on three major finance proposals:

1. Need to centralise RACI Funds – There were more than 390 accounts, and these needed to be resolved. Suggestion of small accounts for Divisions on credit card. General support for rationalisation of accounts.
2. Conference Tax – A proposal for a 15% tax on conference turnover was not supported.
3. Restructure 35% of RACI income to Branches – It was proposed that funds be allocated to more active Branches. This had been strongly supported.

RACI is to become RACI (Inc). The new Executive Director, Robert Haynes, has indicated that incorporation in Victoria would save money and limit liability of Directors. The proposal would be voted on shortly, and the electorate would include all Branches and Divisions.

Chemistry in Australia discussion was brief. The potential for joint publication with Institute of Chemical Engineers would get readership of > 10,000 which is the threshold for profitable advertising.

Publication of abstracts in Chemistry in Australia pre conference was recommended.

Special Projects money of \$55,000 was to be disbursed in 2000.

There was also a Centenary Education Fund of \$140,000 which was available for disbursement.

New auditors had been appointed and the auditing bill was now \$12,000 rather than \$38,000.

W.Maher asked about the decline in members. Membership at 30 June 1999 was 8245 – down 492 on previous year.

W.Maher suggested that the membership record of students who join prior to attending R&D topics meeting should be tracked over a period of 5 years to determine whether they maintain membership. P.Haddad said Barbara Poulton; RACI could track member if attendees names were provided.

Action: I.McKelvie to contact Neil Barnett to obtain names of attendees from previous R&D meetings.

A.Poynton and W.Maher argued the need to attract a wider involvement in Analytical and Environmental conferences.

## **7.2 Chemistry ARC Panel Report**

P.Haddad had circulated letter from ARC to all Research Directors. Chemistry had lost 50 applications (equating to 20% of grant). P.Haddad had argued that this was due to self assessment e.g. of culled or bottom 10% of applications.

## **8.0 NEXT MEETING**

February 2000 – last week.

**Draft Proposal on RACI Funding**

This is being sent initially to members of the working party set up at November Full Council to make recommendations to may Full Council regarding funding within the RACI, for comment from you before further iteration. I have not done anything formal before this, but have talked with many people, including some productive discussions with some of you (especially Andrew), and others, at the recent RACIC. Please respond with your views by about March 10th, so that something can go out to Branches and Divisions for comment soon after that. There is no problem letting various groups that you are in contact with have some idea of these proposals, and getting their informal feedback at this stage, although it should be stressed to them that they have no status beyond being my own personal thoughts until a committee position is reached via your feedback. I have asked Andrew to provide some pie-chart and other simple representations of just where the present RACI income goes. Can you send them out to the working p-arty when available, please, Andrew.

**1. Financial Consequences of Fund Centralization**

The matter of centralized funding of all RACI accounts is a separate issue from that of funding, in that this can happen without any effect at all on the way in which funds are distributed. However, this centralization of funds does have an impact on the total funds that will be at the disposal of the RACI, in that we can expect a significant improvement in the rate of interest on all the Institute's funds, and a significant decrease in the costs of auditing over time (even below the lower costs negotiated last year under the present fragmented financial system).

You will recall that each entity is guaranteed that their funds (the principal) will be safe and under their control after centralization, and that details of the way it will work will be proposed for consideration at May Full Council.

**Recommendation 1**

That each entity within the RACI whose funds become part of the centralised RACI account

- (a) Should pay no bank fees of any kind
- (b) Should have no responsibility for GST -related bookwork and accounting beyond forwarding all tax invoices (invoices showing GST paid by the RACIentity) and documentation relating to GST charged (e.g., on conference registration fees) to the accountants at the National Secretariat.
- (c) Should not be charged any audit fees
- (d) Should retain 50% of the interest on their accounts. The remaining total 50% of interest, on the total centralized account, less bank fees on the total centralised account and total audit fees shall be considered, together with subscriptions, and income from other sources such as (in due course) conference organization activities to be distributed as outlined below.

For several years, Branches (and Branch Groups) and Divisions have not received any interest on their banked funds, as this has been used for special projects, including contributions supporting Chemistry in Australia. We recognize that this has been a source of dissatisfaction for a number of Branches and Divisions. Some Divisions and State Groups rightly have a strong sense of ownership over funds that have been earned by the efforts of members of that Division or Group. It is estimated that, with the greater financial clout that RACI will be able to wield with centralised funds, and with professional advice on prudent investment strategies, that return on the Institutes funds will be substantially greater than any Branch or Division would be able to achieve on its own, and certainly greater than the miserable rate of bank interest that is earned on many of the existing substantial funds that are currently invested in ordinary bank accounts. The rationale of the proposal that only 50% of interest earned on a Branch, Group, or Division account be retained by them is then based on the estimation that, in most cases, they will still be better off than they would be with their current investment strategy with the funds now under their control in a separate account, especially when they will no longer be charged audit or bank fees.

## **2. Requesting Funds**

Once the new Board structure is set up, the responsibility for financial management of the Institute as a whole will pass to the Board. It is essential that everyone involved in any aspect of the RACI's activities trust the Board, and also essential that the Board is open and transparent in all its decision-making, and, in all its actions, puts the highest priority on maintaining that trust. Branches at present are guaranteed a fixed proportion of subscription income from their State, under the by-laws. It may be that some Branches would like to maintain the "security" that comes with that guarantee. But we have seen that, in the recent past, most branches have voluntarily (if reluctantly) accepted a clawback of some of these "guaranteed" funds in order to maintain an activity like Chemistry in Australia which is seen as important to the Institute as a whole. With the exception of the need to honour contractual arrangements (e.g., with employees) that have been entered into in good faith by the Board, we do not believe that any part of the Institute, Branches included, should be "guaranteed" income in such an inflexible way that by-laws have to be passed to alter it. At the same time, it is very important that each Branch can have some confidence in the level of funding it can expect. This is especially important for those Branches who employ staff. Any simple inflexible funding formula can also cause problems if it results in the distribution of funds to some entities within the RACI which have no need of additional funds at the time, or which may not have engaged in recent significant activity.

We believe that the best resolution to these problems is that each year, at a suitable time (to be set by the Board), each entity within RACI seeking funding (Branch, Division, National Secretariat, Convenors of significant committees) should submit to the Board a request for funding. The Board should make available a set of "reasonable expectations" that would apply to each type of entity (Branches, Divisions, etc. ). For example, the reasonable expectation for a Branch might be that the Branch receive up to 35% of subscriptions from the relevant State. A Branch requesting funds up to the reasonable expectation amount would supply a 'broad-brush', budget of how the funds would be used. The Board would expect that the Branch would, responsibly, seek to maintain a significant reserve. If a Branch sought funding much beyond the reasonable expectation, the Board would expect budgeting and justification which became progressively more detailed. The Board would be required to advise the Branch and the Assembly of the reasons why it could not be funded up to the reasonable expectation if funds were requested for that amount. The Board should also provide some justification to the

Assembly if the reasonable expectation level was to be reduced to Branches generally. It may be that some Branches would be prepared to request less than the reasonable expectation proportion, because they genuinely did not need the money that year. It may be that other Branches could make a convincing case (e.g., W.A. because of the geographical remoteness of parts of the State) and receive more than the reasonable expectation amount.

There would also be a reasonable expectation applying to Divisions -perhaps up to 2% of subscriptions from members nominating the Division on their subscription form. A Division seeking funding would make a case to the Board. The Board would expect a Division, responsibly, to have significant reserves -certainly enough to cover losses if two or three conferences ran into financial difficulties, and to provide 'start-up funds' for conferences. A Division with "modest" reserves might expect funding up to the reasonable expectation amount on presentation of a 'broad-brush' account of how the funds might be used, and could seek funding beyond the reasonable expectation if a more detailed good case is made. A Division with very high reserves would expect that a very good case indeed would have to be made to the Board for it to obtain any funding.

Similar considerations would apply to National Secretariat for office expenses (expenditure in the recent past might be a guide to the reasonable expectation amount), a committee responsible for the Institute's IT development, Special Projects (which would still be advertised), Board and Assembly meeting expenses, etc.

The Board would then have the responsibility of considering all requests, bearing in mind the total funds available after contractual obligations are met, and any policy decisions made by the Assembly. A report would be presented to the Assembly (and could be published in Chemistry in Australia) the amounts disbursed. It would be a requirement that the assembly were told the reasons why a request up to the reasonable expectation could not be met.

## **Recommendation 2**

- (a) That, by a time determined and advertised each year by the Board, each entity within the RACI would be invited to submit to the Board a request for funding for the next financial year .
- (b) That the Board advertise a set of reasonable expectations as amounts of cash, or proportions of subscriptions, for each type of entity. A justification should be provided to the Assembly if these are changed significantly from year to year (apart, from changes to cash amounts in line with inflation).
- (c) That the Board be charged with the responsibility of distributing available funds after contractual obligations are met, taking into consideration such matters as the advertised reasonable expectations, the case made by each entity for funding, the recent activity history of the entity, the reserves held by the entity in the centralised account, and any policy decisions made by the Assembly.
- (d) That the Board provide to the entity concerned, and to the Assembly, reasons why requested funds up to the reasonable expectation amount could not be provided.

We are not suggesting a specific time frame for the introduction of this scheme if it is approved in principle by May Full Council. It may be appropriate for things to continue "as is" while the -structural change occurs in the Institute.

Trevor Appleton

## Centralisation of RACI Accounts

### Draft Proposal

At the November Full Council in-principle agreement was given to the centralisation of all RACI funds. There were three main reasons for centralising the funds:

1. **Consolidation of Interest earned:** With the accumulated funds from all of the Branches and divisions pooled into a single investment strategy a considerable increase in return could be provided.
2. **Reduction of Bank Charges and simplification of the Audit procedures:** At present there are over 300 separate bank accounts held by the various Branches and Divisions, each attracting bank charges. The problems with auditing all of these accounts are considerable and place a great strain upon the auditors and the various treasurers
3. **GST:** With the introduction of the GST in July 2000 an even greater burden will be placed upon Branch and Division treasurers who will have to keep track of the GST earned and paid and this has to be reported quarterly.

4.

Following discussions with the Commonwealth Bank regarding the implementation of a central accounting system and feedback from the working party chaired by Trevor Appleton the following is proposed.

1. A central bank account will be set up at the Commonwealth Bank, Bourke St. All funds held by the Branches, Divisions and the National Secretariat will be placed into this account. A set amount will be invested (see below) and the rest placed into a working account. This account will have a sub-account for each of the Branches and Divisions and the National Secretariat, a total of 26 sub-accounts (more can be created if necessary, NCQ etc). Each Branch and Division will have their money (less the amount invested) placed into their sub- account and will be given a deposit book to place money into this account. Cheques can be drawn centrally from this account upon request to the NS. There will be no bank charges payable by the Branch or Division for centrally drawn cheques, it will be charged to the NS. In addition, if required, the Branch or Division can have a chequebook to draw money from their sub-account to pay necessary expenses. In the case of locally drawn checks the Branch or Division will be liable for bank charges. The bank will send each Branch and Division a monthly statement. The centralisation of the accounts in one account will greatly simplify the auditing procedures and auditing charges will not be levied against the Branches and Divisions.

**Advantages:** There are numerous advantages to this system. The bank will track each Branches and Divisions funds and issue a statement monthly. The Branch or Division will retain control of their funds; cheques can be drawn centrally or locally. GST requirements will only have to be tracked locally for checks drawn locally; the remainder is handled centrally. Auditing will be simplified and cheaper. Branches and Divisions benefit financially through significantly reduced bank fees (over \$4000 charged to B&D in 1998/99) and no audit fees.

2. Investment strategy: If all of the Institutes cash reserves are pooled there is over \$2.5M to be invested. It is proposed that an Investment Committee be set up to oversee the investment of these funds. The Committee would comprise the President, Ron. Treasurer, a Branch Representative, a Division Representative and the National Director. This committee would determine the amount to be invested, the length of the investment and the type of investments. It is envisioned this would be done in consultation with a Financial Adviser. Preliminary investigations with the Commonwealth Bank indicate a rate of 7% is not unreasonable and probably better could be achieved. For 1998/99 the Institute received an average rate of 4.4%. It is proposed that 50% of the interest received be returned to the Branch or Division whose funds had earned the interest.

**Advantage:** The Branches and Divisions will benefit from the overall investment strategy since the increased interest will enable them to receive 50% of the interest earned, and interest will not be kept from the Branches and Divisions for special projects or to prop up *Chemistry in Australia*. It is estimated that the Branches and division will be better off under this proposal since they will receive about the same rate of interest on their funds as at present and be liable for no bank charges-

**E-mail from Dr Ian Southwell on March 21, 2000**

Dear Danny,

Thanks for your interest in our Meeting.

Standards Australia, as you are probably aware, has many committees. One of these is the CH21 Essential Oil Committee of which I, as a representative from NSW Agriculture, am Chairman. The RACI also has a rep -Noel Davies, Central Science Lab., Uni of Tasmania. The Australian Committee has substantial input into the elaboration of ISO Standards via the TC54 International Standards Organisation committee which meets every 2 years usually in the Northern Hemisphere in Europe or the US. The year 2000 meeting is to be held in Sydney from Dec 4- 7. From 20-30 delegates usually attend representing 12-15 essential oil producing countries. Total numbers can reach 50 with delegate partners. It was an honour for the Australian invitation to host the meeting to be accepted and so the Australian Committee is seeking to prove worthwhile hosts.

The meeting is very chemical in that the standards formulated contain identifications of the essential oil analytes in each commercial oil. These are usually determined by gas chromatography. Australia recently campaigned for an international standard for tea tree oil which is now well recognised around the world. One of the issues to be discussed at this meeting is an ISO lavender oil standard that acknowledges the world status of the Australian exported oil by listing its specifications alongside those of the French sourced oils.

In addition to the business side of the meeting which lasts 4 days, the host country is expected to finance both a dinner for delegates and a visit to an essential oil enterprise. The nearest enterprise of consequence is the OR Davis eucalyptus/tea tree distillery at West Wyalong and so a 2 day visit to that region is planned.

The meeting already has some sponsors eg Standards Australia, The Rural Industries Research and Development Corporation (RIRDC) (\$4,000) and some essential oil producers and exporters. We are however seeking further sponsorships to cover the remainder (approx. \$8,000) of the costs.

Any support that you can give us would be much appreciated.

If you need further information, please do not hesitate to contact me.

Yours sincerely,  
Ian Southwell, FRACI,  
Secretary, Northern Rivers Section, NSW Branch, RACI.