

Division 8: Chemistry Centre (WA), \$8 623 000 —

Mr I.M. Britza, Chairman.

Mr C.J. Barnett, Minister for Science.

Mr P.J. Millington, Chief Executive Officer.

Mr R. Blakey, Director, Business and Corporate Services.

Mr Z.R.F. Kirkup, Principal Policy Adviser, Office of the Premier.

[Witnesses introduced.]

The CHAIRMAN: I call the Deputy Leader of the Opposition.

Mr R.H. COOK: My first question relates to the asset investment program on page 122 of the budget papers. Can the minister please outline his plan to generate more revenue streams for the Chemistry Centre, as discussed in that section? With regard to these new revenue streams, how is the impact on the Chemistry Centre's income being managed, and was a business case prepared for this strategy; and, if so, can the minister please table it?

Mr C.J. BARNETT: As a new and struggling science minister, I will defer to Mr Millington to answer that. I am yet to learn all the intricacies of the Chemistry Centre. I went and had a look through it the other day. It is very impressive. If any member would like to have a look, I would urge them to do so. But looking at scientists, lab coats and all that is not my regime, so I will hand over to Mr Millington.

Mr P.J. Millington: The asset investment program is what we are talking about. As a cutting-edge science organisation, we have to keep on maintaining our edge in terms of equipment, which is why we have this asset investment program. At the moment, because, as the member said, we have some revenue issues, we are having to make some hard choices between investing in equipment that will give us more immediate revenue as opposed to ones that are a bit more strategic. So, at the moment we are making some short-term investments for immediate worn-out equipment, and also investments that are going to give us the revenue stream from either our government clients or the private sector clients in the areas we have identified in one of the significant issues as being our major revenue streams that we will be looking at.

Mr R.H. COOK: In relation to that, minister, and in particular that decision-making process for the asset replacement, has a business case been prepared for that strategy; and, if so, can the minister table a copy of it?

Mr C.J. BARNETT: I will defer to Mr Millington.

Mr P.J. Millington: We have an asset investment plan that is approved. We can certainly give the member more detail than is in the budget papers about the asset we plan to purchase. The text around that is not particularly dense, because it is based more on the equipment wearing out over certain time horizons. But we can certainly give the member some commentary on the initiatives we are looking at and the equipment related to that, if the member wishes that as additional information.

Mr R.H. COOK: Is that by way of supplementary information?

Mr P.J. Millington: We would prefer to give it to the member as supplementary information. We can give him the asset investment plan and the assets related to the significant revenue opportunities outlined in the significant issues.

Mr C.J. BARNETT: That is very generous of Mr Millington, but he cannot make that decision.

Mr P.J. Millington: No, no.

Mr R.H. COOK: It was, I think, a suggestion, minister.

Mr C.J. BARNETT: It was very generous, and I will make a decision that if the Chemistry Centre —

Mr P.J. Millington: We can, but whether the minister wishes to —

Mr C.J. BARNETT: No. I might not turn up to that briefing! But if the member for Kwinana would like that information, if it can be provided, it will be provided.

[*Supplementary Information No A15.*]

Mr R.H. COOK: I refer to the spending changes detailed on page 118. Can the minister please detail how he will achieve the savings of \$8.25 million over four years? In relation to that, what is the current headcount and number of full-time equivalents at the Chemistry Centre?

Mr C.J. BARNETT: I will defer again to Mr Millington.

Mr P.J. Millington: I will defer that to my colleague Mr Blakey.

Mr R. Blakey: The question was: what is the number of full-time equivalents?

Mr R.H. COOK: The headcount and the full-time equivalents.

Mr R. Blakey: The current number of full-time equivalents is 121.5, I think, to be accurate. What was the second part of the question?

Mr R.H. COOK: There are actually three parts. I am looking for the headcount as well. But the first part of my question was about the savings of \$8.25 million projected for the centre over four years. What are the means and strategies by which that will be achieved?

Mr R. Blakey: The \$8.2 million relating to which point in the budget papers?

Mr R.H. COOK: I believe it is partially in public sector reform.

Mr R. Blakey: Is that on page 118?

Mr R.H. COOK: Yes, on page 118. There are also references to estimated out turn.

Mr R. Blakey: These are the salary cap savings that we hope to make over the period of the forward estimates. I guess, by way of background, the way that forward estimates have been put forward in the past is that we, because we are a commercial organisation, have increases in full-time equivalents going through the forward estimates to try to match the revenues that we hope to achieve. The salary cap was applied, and that was based on the 2012–13 figures, which were then inflated by 2.5 per cent per annum. The difference between that and the previous estimates is shown as savings. At this time, we may have to go back to government in the midterm review to have a second look at that, because our full-time equivalents were shown to increase significantly to match revenues. These are greater savings than one would normally expect to see for an agency of our size, and it is the nature of the way we earn our revenues that makes that probably more difficult.

Mr R.H. COOK: I would like to ask a further question, if I may, Mr Chairman.

The CHAIRMAN: Briefly, member.

Mr R.H. COOK: It is about the revenues in particular. It has been put to me that in light of the Criminal Investigation (Identifying People) Amendment Bill, there will be more work, given the amount of work that the centre undertakes on behalf of WA Police. Is there an anticipated growth in revenue from the police, and is that reflected in the budget?

Mr C.J. BARNETT: Again, I defer to the agency.

Mr P.J. Millington: We have an annual memorandum of understanding with WA Police that specifies the degree of service that it requires of us. Whether it wishes to invest in that particular initiative the member was outlining will be up to it against its budget for the services it wants from us, so I cannot tell the member exactly whether that will result in additional workload for us.

Mr R.H. COOK: I have a further question, and I note the time.

The CHAIRMAN: We have another division to deal with.

Mr W.J. JOHNSTON: We will not ask any questions on the other one.

Mr R.H. COOK: The minister obviously anticipates a reduction in the revenue of the Chemistry Centre. From that point of view, can the minister provide details of the profile of that reduction and from which agencies he expects the revenue streams to flow over the forward estimates?

Mr C.J. BARNETT: No, not over the forward estimates.

Mr R.H. COOK: Well, over the next term. Clearly, the minister has identified a reduction in revenue.

Mr C.J. BARNETT: No; that is just not possible to do.

The appropriation was recommended.