

**Division 33: Chemistry Centre (WA), \$9 539 000 —**

Mr I.C. Blayney, Chair.

Mr D.J. Kelly, Minister for Science.

Mr P.B. McCafferty, Chief Executive Officer.

Ms. L. Barbato, Director, Business and Corporate Services.

Mr S. Anicic, Chief Financial Officer.

Ms N. Arrowsmith, Chief of Staff.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available tomorrow. The Chair will ensure that as many questions as possible are asked and that both questions and answers are short and to the point. If an adviser needs to answer from the lectern, will they please state their name prior to their answer. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall only be examined in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

Question, member for Roe.

**Mr P.J. RUNDLE:** Thanks, Mr Chair. I refer to page 492, "Mitigating risks to the State", specifically item 1.1 about the rapid water analysis. The centre has been assisting in the state's pandemic response through testing the water quality in repurposed hotels that are being used for temporary isolation accommodation. Can the minister, or one of his advisers, fill me in on the details in relation to that project?

**Mr D.J. KELLY:** I defer to Mr McCafferty.

**Mr P.B. McCafferty:** Yes. I thank the member for the question. This was related to a request from the Department of Health, which employed a contractor to take samples to ensure that water in these facilities met health department guidelines.

**Mr P.J. RUNDLE:** So we are talking about the hotels used for isolation. There are several around the city.

**Mr P.B. McCafferty:** That is correct. Yes.

**Mr P.J. RUNDLE:** Has that been done across all hotels?

**Mr P.B. McCafferty:** Yes. That was undertaken by the Department of Health and it has done that for all hotels that we are aware of.

**Mr P.J. RUNDLE:** Pursuant to that, I refer to page 491. There is the funding about additional analytical services for the Western Australia Police Force. Is that linked into the operation? There is an amount of \$249 000 actual for 2019–20 under "New Initiative".

**Mr P.B. McCafferty:** Is that the roadside drug testing?

**Mr D.J. KELLY:** That is not related to it.

**Mr W.R. MARMION:** A further question on that—the minister may not be able to provide the answer because it might be confidential—in terms of the ongoing analysis of water, can the department pick up from those tests whether people have COVID?

**Mr D.J. KELLY:** Just to be clear, the testing was not for COVID. It was just testing of the potable water in those hotels and was not testing in any way for COVID.

[8.30 pm]

**Mr D.J. HONEY:** Were there any elevated lead levels in those samples? I am just interested in water that sits still in old buildings.

**Mr D.J. KELLY:** Not that I am aware of. I have not had any advice in that regard.

**Mr D.J. HONEY:** Would the minister be able to ask the director?

**Mr D.J. KELLY:** As I said, I have not had any advice in that regard so I cannot give the member any more information.

**Mr P.J. RUNDLE:** I find it rather strange that we have got rapid water analysis and the centre has been assisting in the state's pandemic response, yet the minister just said that it is for testing potable water.

**Mr D.J. KELLY:** Yes. That is right. It is just about water quality.

**Mr P.J. RUNDLE:** Just purely for water quality.

**Mr D.J. KELLY:** Yes, that is right. It is about the quality of the drinking water.

**Dr D.J. HONEY:** I refer to item 69 under "Delivery of Services" at the top in the table on page 491 of budget paper No 2. I assume that relates to wages but I am happy to be corrected. The actual for 2019–20 was \$7.7 million and it drops down to \$6.8 million the following year. What is the reason for that significant drop in that budget item?

**Mr D.J. KELLY:** There were some one-off payments in 2019–20. We inherited—no criticism of the former minister, who was the Premier at the time; he was very busy—some financial issues with the ChemCentre. In 2019–20, we put in \$1.5 million as a sustainability payment and another \$200 000 to cover equipment maintenance, so that is \$1.7 million in total. There were some additional payments around the vocational training services program that the government ran, which amounted to \$350 000, and \$120 000 to cover the executive recruitment and a review of the act. They were one-off costs that were not reflected in other years, which is why that amount is significantly higher.

**Dr D.J. HONEY:** I refer to paragraph 2.2 on page 492, "Supporting Sustainable Industry Through Research and Innovation", which states —

Mining: the Centre is a foundation member of the Western Australian-based cooperative research centre ...

Given that the budget seems to be quite flat, how is that work being funded or what is the extent of that work? I would have thought that possibly that would amount to an additional budget item.

**Mr D.J. KELLY:** I will ask Mr McCafferty to provide some information.

**Mr P.B. McCafferty:** The reason it looks flat is that we have some CRCs that we are tapering off. The CRC that the item refers to is the Future Battery Industries Cooperative Research Centre That is coming onboard, so it is really trying to maintain some consistency in that area.

**Mr W.R. MARMION:** I have a new question related to page 498 of budget paper No 2. It explains the income generated in the forward estimates. I guess this shows the net cost of services are pretty consistent year on year. When I had this portfolio at one stage, every year Treasury would put pressure on the ChemCentre to say, "You have to break even." The ChemCentre does provide an important and critical service to the state and, indeed, to a lot of government agencies and the police department, for instance. Is the minister still getting a push to try to increase the income generated by the ChemCentre in terms of the sale of goods and services to try to make it a break-even venture?

**Mr D.J. KELLY:** Yes. Some parts of the ChemCentre's operations are funded by the state. Other parts of the organisation are commercial services, if you like, that it provides either to government departments or externally to the private sector. I think we have a very good relationship with Treasury because I think there is now a sustainable basis going forward for those services that are, if you like, community service obligations, although I am not sure if that is the right term. but the emergency response capability that ChemCentre provides, there was always some debate, I think probably under the previous government as to how that should be properly funded. I think we have reached a good position there so the ChemCentre is confident that it is being funded adequately for that. But like any other agency that is able to provide fee-for-service work to the private sector, there is still and always will be a desire to maximise that revenue. The general proposition is that we now have a good relationship with Treasury and security of funding for the ChemCentre going forward.

**Ms E. HAMILTON:** Just further to that question, I refer to page 491 and the appropriations, expenses and cash assets table. The "Total Appropriations" line item shows a significant increase in the total appropriations at the ChemCentre compared with the 2019–20 budget. Can the minister advise why this increase was needed and what it will deliver for the people of WA?

[8.40 pm]

**Mr D.J. KELLY:** As I indicated, one of the areas of concern when we came into government was around the funding for much-needed scientific equipment at the ChemCentre. This equipment is absolutely essential to the ChemCentre doing its work. We all know that the Claremont serial killer case has reached a conclusion. A lot of people do not understand that the ChemCentre played a significant role in some of the forensic work that was essential to that case. The fibre database that was very central to that case was a creation of the ChemCentre. That is just one example of the really important work that the ChemCentre does. When we came to government, the capital appropriation that the ChemCentre had to work with was simply not sufficient. In the first couple of years, we got some one-off payments from Treasury to allow it to purchase essential equipment.

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 22 October 2020]

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Mr Peter Rundle; Mr Dave Kelly; Mr Bill Marmion; Mr D.J. Honey; Ms Emily Hamilton

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I am really pleased to say that we got \$2.7 million in additional funding in the 2019–20 financial year and we have had a permanent \$1.7 million increase moving forward. That is probably one of the reasons we now have a good relationship with Treasury. ChemCentre is now confident that it can purchase the scientific equipment that is needed so that really important work can continue to be done with confidence. I really would like to compliment both the CEO, Peter McCafferty, and his team, and Denise Goldsworthy, who is the chair, who pursued that issue with me as the minister vigorously when we came to government. Probably for the first time, the board is now comfortable that it has the capital appropriation that it needs going forward. It is a testament to the work that it has done. It has successfully and professionally made the case. It is a really good outcome. As I said, a lot of work was done behind the scenes, with the police department in particular. If we had not got it right, the results would have been absolutely disappointing.

**The appropriation was recommended.**

*Meeting suspended from 8.42 to 8.50 pm*