

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

2011–12 BUDGET ESTIMATES HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 20 JUNE 2011**

**SESSION THREE
SCIENCE AND INNOVATION**

Members

**Hon Giz Watson (Chair)
Hon Philip Gardiner (Deputy Chair)
Hon Liz Behjat
Hon Ken Travers
Hon Ljiljanna Ravlich**

Hearing commenced at 5.46 pm

HON HELEN MORTON, MLC

Minister for Mental Health representing the Minister for Science and Innovation, examined:

MR BRIAN BRADLEY

Director General, Science and Innovation, Department of Commerce, sworn and examined:

MR DAVID GOODWIN

Chief Financial Officer, Science and Innovation, Department of Commerce, sworn and examined:

MR JOHN BERRY

General Manager, Program Development, Science and Innovation, Department of Commerce, sworn and examined:

MS DANIELA MATTHEYS

Director, Innovative Industries, Science and Innovation, Department of Commerce, sworn and examined:

MR PETER MILLINGTON

Chief Executive Officer, Chemistry Centre WA, sworn and examined:

MR ROSS BLAKEY

Director, Business and Corporate Services, Chemistry Centre WA, sworn and examined:

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to the hearing this afternoon. Before we begin, I must ask the public servants to take either an oath or an affirmation. If you would like to take the oath, we have copies of the Bible available for you.

[Witnesses took the oath or affirmation.]

The CHAIR: You will all have signed a document entitled “Information for Witnesses”. Have you read and understood this document?

The Witnesses: Yes.

The CHAIR: Hearings are being held in public, although there is a discretion available to the committee to take evidence in private, either on its own motion or at the request of a witness. If for some reason you wish to make a confidential statement during this evening’s proceedings, you should request that the evidence be taken in closed session prior to answering the questions. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia, and we appreciate your assistance in this process. The proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. It would greatly assist Hansard if, when referring to the *Budget Statements* volumes or the consolidated account estimates, members would give the page number, the item, the amount and the program in preface to their questions. If supplementary information is to be provided, I ask your cooperation in ensuring that it is delivered to the committee clerk within 10 working days of receipt of the questions. Should you be unable to meet this deadline, please advise the committee clerk immediately. An example of the required *Hansard* style for the

documents has been provided to the advisers. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. For the benefit of members and Hansard, I ask the minister to introduce her advisers and that they please give their full name, their contact address and the capacity in which they appear before the committee.

[Witnesses introduced.]

The CHAIR: Minister, do you wish to make an opening statement?

Hon HELEN MORTON: Only a very short one. Members will be aware that these budget documents range over two sections of the budget. Part of the science and innovation work comes within Commerce, and the other part relates specifically to the ChemCentre. It was suggested to me that if members wanted to deal with one of those sections first—for example, the Chemistry Centre—we could then focus on the other area of science and innovation. However, if members want to free range across both sections, I would understand that as well. So, I would ask members to indicate whether they have a particular interest in moving to one section or the other.

The CHAIR: That is a good question. I will ask members what they would like to do.

Hon KATE DOUST: I had not intended to ask any questions about the ChemCentre, because I thought that had been dealt with in the other place as a specific area. My questions relate to other issues.

Hon ED DERMER: I do not have a particular area of questioning at this stage. I may develop a preference as time goes on, but at this stage I have no particular preference in terms of separating them or dealing with them at the same time.

Hon PHILIP GARDINER: Science is the area that I will be asking questions about.

The CHAIR: Not the ChemCentre?

Hon PHILIP GARDINER: Not particularly, no.

Hon KEN TRAVERS: I was not aware that the ChemCentre came into this section.

The CHAIR: So those gentlemen might get an early night! I suggest that we start with some questions, so that we can get the ball rolling, and I will check again in five or 10 minutes, and if no-one has any questions about the ChemCentre, I will suggest that we let those gentlemen go so that they will not have to be out later than they need to be.

Hon KATE DOUST: I refer to page 464, the heading “Asset Investment Program”, and the subheading, “Works in Progress”. I have a number of questions about the line item, “Bentley Technology Park — Stage 1 Implementation”. I notice that out of the total cost of \$9.6 million, over \$6.4 million has been spent to date, yet there is no funding to complete the project until we get to 2013–14 and 2014–15. Why is there a delay in completing stage 1 of this project?

Hon HELEN MORTON: I will ask the chief financial officer to speak to this.

Mr Goodwin: Members, a similar question arises from time to time where, particularly in this area, which is the asset investment program—capital works—you get this pattern of funding where it seems to stop and then recommence. That arises, if you like, out of a process that Treasury has in dealing with its carry-forwards. Projects in this area by their nature are often running late, and funding needs to be carried forward. Across the whole of government, they have quite a number of these, which cause problems in Treasury in terms of its capital budgeting from year to year. So what Treasury tends to do, when there are carried-forward funds, is carry them forward to the most distant out year, and then agencies need to live within their total. That is not to say the funding is cancelled. The funding can be brought forward. But often times there are issues with projects that are similarly carried forward. That is perhaps a long-winded explanation. Can I just say that the gap

is more to do with Treasury's process in terms of dealing with the carry-forward funding, rather than the capital funding. Does that help?

Hon KATE DOUST: That is an interesting answer. Thank you. The 2010–11 budget estimated that \$1.9 million would be spent on the project in 2009–10, yet that does not seem to be the case. How much was spent in 2009–10, and why was the estimate incorrect, if you like?

Hon HELEN MORTON: Mr Goodwin will answer that.

Mr Goodwin: The member is referring to the capital funding for the business names system, as I understand it?

Hon KATE DOUST: No, Bentley Technology Park.

Hon HELEN MORTON: Is this still stage 1 implementation?

Hon KATE DOUST: Yes, I am still on that. I have another two questions related to that part.

Hon HELEN MORTON: Ms Mattheys will answer that.

Ms Mattheys: Approximately \$600 000 of that was expended. But the shortfall in the expenditure is as David has indicated.

Hon KATE DOUST: So, they estimated that they would spend \$1.9 million, but they spent only \$600 000?

Ms Mattheys: Approximately.

Hon KATE DOUST: What happened to the rest of it?

Ms Mattheys: The rest of the funding is still committed and will be expended in context with the project implementation plan.

[5.55 pm]

Hon HELEN MORTON: Can I clarify something? When you are referring to the \$1.9 million, are you referring to the relocation of EnergySafety?

Hon KATE DOUST: No. I am referring to Bentley Technology Park, stage 1 implementation, and to money that was allocated to be spent on the project in 2009–10.

Hon HELEN MORTON: I have the budget papers in front of me, too, and the \$1.9 million that was expected to be spent in 2009–10 is not showing up in that.

Hon KATE DOUST: No. It was allocated in the previous budget papers. I want to know why that money has not been expended. The minister might want to go back and look at that and provide that information on notice.

The CHAIR: Minister, would you like to take that on notice?

Hon HELEN MORTON: Mr Bradley will respond.

Mr Bradley: A decision was made not to proceed with that project, and we held the money over. That money is still on our books, because we have to transfer it at an appropriate time to the Department of Planning, because Planning is going to take that project over. So, Commerce was given the initial allocation. Two ministers ago, the minister of the day decided that the project was not going to proceed. We had a balance there—I will take the member's word for it—of \$1.9 million. That money, whatever the balance is now, is being held in our capital account pending the Department of Planning progressing the initiative; and we are still waiting for the Department of Planning to indicate when it is prepared to do that.

Hon KATE DOUST: Do you have any idea of the time frames for when that will occur?

Mr Bradley: I asked that question incidentally this morning, and the indications were that the Department of Planning wanted us to hold the money, because it was not ready.

Hon KATE DOUST: That leads my next question. What work is yet to be completed on stage 1 of the implementation of Bentley Technology Park?

Hon HELEN MORTON: Ms Mattheys will respond.

Ms Mattheys: The structure planning approval process still needs to be finalised at this point.

Hon KATE DOUST: In the last 12 months, has the government progressed any future stages of Bentley Technology Park; and, if not, why not? You are obviously waiting for that part of the planning. Are there any other plans that you have moved through to the future stages?

Mr Bradley: No.

Hon KATE DOUST: Is there any reason for not doing any future stage planning?

Mr Bradley: We have not had the allocations to do so.

Hon KATE DOUST: Does the government intend to proceed in the long term with the further development of Bentley Technology Park?

Mr Bradley: It is still part of the government's intention to retain Bentley Technology Park.

The CHAIR: While Hon Kate Doust is pausing for breath, I might take this opportunity to check again whether any member would like to ask any questions about the ChemCentre.

Hon KEN TRAVERS: Yes, please.

Hon KATE DOUST: Perhaps Hon Ken Travers could ask his questions now, and then these gentlemen could be released from attending further.

The CHAIR: Yes. Hon Ken Travers.

Hon KEN TRAVERS: My understanding is that the ChemCentre provides services to WA Police for a large amount of forensic work. What percentage of your work would that constitute?

Mr Millington: Yes, we do. We have a memorandum of understanding with WA Police to provide forensic services. That MOU is renewed every financial year. The total business that we anticipate for this coming year from the police is about \$4.1 million, plus there is an additional allocation from a separate tranche of money towards a second clandestine laboratory team, which has just commenced operation, for about \$450 000—in that order. As far as the percentage of the business is concerned, I will ask Ross Blakey to answer that question.

Mr Blakey: The total amount is about \$16 million in revenue; therefore, it is 25 per cent.

Hon KEN TRAVERS: Your appropriation is \$8 million. So, for your total cost of service of \$20 million for commercial and scientific information and advice, do you charge on a fee-for-service basis to the police? Is that how it works?

Mr Millington: Yes. Essentially, it is on a fee-for-service basis, or for a standing capability, depending on which mix they wish.

Hon KEN TRAVERS: That would leave another \$4 million that you are generating from revenue through your commercial and scientific information and advice. Is that made up of one particular area or is it made up of a range of sources of funding?

Mr Millington: Our principal government clients are the police and the Office of the State Coroner. They are under MOUs. All the rest of our business is on a fee-for-service basis. I will hand over to Ross, who has a better idea of what proportion of government fee-for-service work and private fee-for-service work we do.

Mr Blakey: About 63 per cent of all the work that we do is for government generally. Going back to the question that was asked, we do a lot of work for the Water Corporation. We also do work for the Department of Transport for the Esperance clean-up and the like.

Hon KEN TRAVERS: What percentage would the work for the coroner come in at?

Mr Blakey: That is just over \$1 million—about \$1.4 million.

Hon KEN TRAVERS: Okay. Just so that I can understand that, you get \$8 million in an appropriation, and you are spending about \$20 million, so you need to raise \$12 million. Of that \$12 million, \$4 million comes from the police, and the other \$8 million would come from a range of other sources, with 63 per cent of that, including the police, being from the government?

Mr Blakey: It is about \$15 million in total that we get.

Hon KEN TRAVERS: What is the current backlog of work for the police?

Mr Millington: The strict answer is that there is no backlog, because we actually do it according to the priority that the police want us to do it in. If you say do we meet the target of having the evidence available for the court date as it falls due, yes, we do.

Hon KEN TRAVERS: Are court dates ever changed because the evidence is not ready?

Mr Millington: Not to my knowledge recently, no. Within my tenure over the last two years, we have not had to defer any court dates, to my knowledge, because the evidence was not available from the ChemCentre.

Hon KEN TRAVERS: Would you know, though, whether the police are having to defer their investigations and court dates because they do not have the information back from you?

Mr Millington: I am not aware that there have been any problems like that, because it would be essentially a customer complaint that would hit my desk.

Hon KEN TRAVERS: Right. So what is the average processing time for requests from the police?

Mr Millington: It varies very significantly. If you are talking about a confirmation for an alcohol or a drug test, we can get it back normally between two and three working days, because that is a high volume, routine case. If you are talking about a physical evidence case, where you are looking at a T-shirt with blood spatters, or a pair of shoes with gunshot residues on them, or something like that, some of those can take in the order of several months, and sometimes a couple of years, depending on whether it is a really complex piece of evidence.

[6.05 pm]

Hon KEN TRAVERS: Why would it take a couple of years?

Mr Millington: Let us say a case involves looking at soil samples or other evidence like that. It may be that to prove the evidence we have to go back and do extensive field sampling of all the soils in, say, the sand dune series of coastal plains of Perth to exclude all the other soil types so we can focus on that particular one. However, if the police require a faster turnaround time, obviously the degree of uncertainty will go up.

Hon KEN TRAVERS: When you do something like that do you then record that information on a database so you do not have to go back and do it the next time you get that sort of request?

Mr Millington: Yes, we do. Part of our IP is extensive forensic mineralogy database.

Hon KEN TRAVERS: You mentioned earlier a separate amount for clandestine laboratories. What has been the impact on the increase in the number of laboratories being discovered in Perth at the moment.

Mr Millington: In 2008, from memory, we had fewer than 30. We have had the dubious distinction, I think, today of clocking up 100 before even halfway through the year, so we are on track for more than 200 for this calendar year.

Hon KEN TRAVERS: What impact is that having on your resources?

Mr Millington: The recognition of that means that additional money that government appropriated through police to, in part, fund some of our activities as well as their own and we have acquired a whole new clandestine laboratory response truck, equipment and additional staff.

Hon KEN TRAVERS: So there are now three dedicated staff.

Mr Millington: Notionally there are now six dedicated staff to do clandestine laboratories, although that is in fact 15-odd people who are rostered through that six.

Hon KEN TRAVERS: I note also that according to your key performance indicators, you have gone from having a target of average response time for quality emergency response. Your target was three and you are hoping this year to get 2.4, but you actually got four and you have now increased the target response time to four hours. Is that in any way as a result of the clandestine laboratories? What is driving that increase?

Mr Millington: There are two reasons. We slightly changed the basis of measurement so that it is now to the satisfactory resolution of the issue, rather than just us leaving the site. That has increased slightly because we sometimes have to do a few clean-up issues back in the laboratory. The other reason is—you are quite correct—the clandestine laboratories or emergencies are taking place over a wider geographical area, so it takes longer to deal with it and get back. It is a combination of things like that.

Hon KEN TRAVERS: Do you keep any more detailed statistics about response times other than just the overall four so that you can show us the actual response time is the same but there is an extra hour in travel or an extra hour in clean-up? Are those the sort of stats you would keep?

Mr Millington: We have the statistics that underpin this KPI. Obviously, they are subject to audit by the Auditor General. Yes, we can provide the statistics that form the basis of that audit.

Hon KEN TRAVERS: Is there any more detail that sits under the ones that are presented?

Mr Millington: I will take that on notice and provide that as additional information.

[Supplementary Information No C1.]

Hon KEN TRAVERS: My final question is: going to your asset investment program, I noticed in last year's program for new scientific equipment you had \$1.8 million but going forward into the forward estimates there is only \$195 000 for acquisition and new programs. It may be as a result of your move from your original ChemCentre to Curtin that you have got a whole lot of new equipment so you are completely up to date. But I suspect you took a whole lot of your old equipment across. I would have thought in the chemistry area there is a constant need to renew and update the equipment. Am I right in that assumption? How do you manage the task of constantly upgrading equipment with a budget of \$195 000.

Mr Blakey: The budget is \$600 000 because \$405 000 comes out of the drawdown from the holding account.

Hon KEN TRAVERS: For replacement?

Mr Blakey: Yes; and \$195 000 is appropriation, so there is actually \$600 000.

Hon KEN TRAVERS: In previous years you had the \$405 000 as well.

Mr Blakey: Correct. It is certainly well below what we think we will require in the future. We are in current negotiations with Treasury for the future to get those amounts increased.

Hon KEN TRAVERS: What sort of equipment are we looking at? What is the latest range of modern equipment that would be required to stay current in terms of the technology that is available and what would be the cost of that sort of equipment?

Mr Millington: It varies. The latest bit of kit at the high end that I have just authorised and we have just had delivered is, to use a technical term, liquid chromatograph mass spectrometer quadruple

dipole time of flight—called an LCMS triple quad Q-TOF, would you believe. Every speciality has it.

Hon KEN TRAVERS: I have heard they are very good actually!

Mr Millington: That one came in at more than \$650 000 just for purchase plus just over \$60 000 or \$70 000 just to maintain. That is the expensive end. I thought you would appreciate the name.

Hon ED DERMER: You now have to explain how it works!

Mr Millington: Do you wish me to?

Hon KEN TRAVERS: No, no, no!

Mr Millington: It creates a plasma screen, and the quadruple of powerful magnets picks off individual atoms so that they can be measured. This thing has a sensitivity down to parts per trillion—that is basically one molecule in a swimming pool.

Hon PHILIP GARDINER: It is used for?

Mr Millington: It is used for oral fluid testing of drugs rather than going for urine or blood samples; for high resolution examination of contaminants in, say, water; for instance, there are hormone disruptors in water that can affect wildlife. You can get testing at that level; in fact, you are interested in that, because as the Chair will know, you can have very low levels that can cause disruption to amphibians.

At the lower end, if you go through the airport and get swabbed with one of those machines, which is to detect explosives or drugs, usually they are pretty cheap; they come in at less than \$50 000 a pop.

Hon KEN TRAVERS: Is there any modern equipment we do not have in WA that is pretty much standard practice for organisations around the world such as yours?

Mr Millington: I am proud to say we probably have the best combined equipment fleet in Australia, outside the commonwealth government, for what we have to do. A lot of the equipment is bought through our cash flows because, being a cost recovery agency, we divert some of the funding to pay for our equipment through cash flow.

Hon KEN TRAVERS: Do you ever have to rebuild your buildings to accommodate some of that equipment? Often that highly scientific equipment needs purpose-built environments.

Mr Millington: The government has just bought us \$42 million worth of a \$110 million building, so we are very happy. We have been in it for about two years.

Hon KEN TRAVERS: I remember when Clive Brown was involved in the deal to move you to Curtin.

Mr Millington: My problem is it is not big enough. It was bought for 87 and we already have 115.

Hon KEN TRAVERS: This is the one at Curtin.

Mr Millington: Yes.

The CHAIR: We are so glad we did not let you go home early.

Hon PHILIP GARDINER: On agricultural testing, CBH does the work on most of the grains. With the exports to other parts of the world where they have difficulties with genetically modified food products such as honey, do you do that testing for the proteins on genetically modified plants in the honey, for example, or similar food products?

Mr Millington: We could certainly develop that capability, but currently we have no clients asking us to do that sort of work. We certainly do a lot of agricultural work, for instance, about alkaloids in certain grain products. We also do export certification for things like wines for sulfur dioxide and other things like that. People like to have the stamp of a government laboratory, especially when

going into places such as Europe. Any run-of-the-mill laboratory does not hack it. If it comes from a government-backed laboratory, that make a difference.

Hon PHILIP GARDINER: You mentioned Europe. I am aware of the thing with honey in Europe. Are you finding there is an increased requirement for testing of exports that are going to Europe for various contaminants that they do not wish to have?

Mr Millington: We have certainly had a small increase in business in that area, but you have to realise that there are a couple of other laboratories in this state, including NMI, the commonwealth-run laboratory, that offer the same service. It is a price-sensitive market.

Hon PHILIP GARDINER: There could be a leakage.

Mr Millington: That is correct.

Hon PHILIP GARDINER: What is the proportion of agricultural business in your centre, as whole, if that is not private information?

Mr Millington: At the moment it is running at about a million or a million and a half. It varies. It is not a large portion of our business. In fact our dedicated agricultural and food lab ceases to operate as a separate entity from 1 July. That service will be offered within another laboratory because we have to be more efficient and effective. Because of the drought, farmers are not asking for the same level of testing as they have done, historically. The food processing industry is moving east, so it is not asking for that testing either. Unfortunately, the market is not there.

Hon PHILIP GARDINER: Thank you.

Hon KEN TRAVERS: Earlier you indicated there was a list of current equipment you do not have that you are seeking. Can we get taken on notice the list of the equipment you have identified that you require but do not currently have and the estimated cost of that equipment?

Mr Millington: We have an asset investment plan going forward for five years, which we are happy to table.

[Supplementary Information No C2.]

Hon LIZ BEHJAT: Are the services you provide totally for Western Australian companies and agencies or do overseas countries send things to you for tests, such as some of our Asian countries that may not have the facilities that are available in your commercial arm?

Mr Millington: We are not constrained by our act from operating either interstate or overseas; in fact, we currently do. We have, for instance, a contract with the European police agency providing a drugs database, which we currently host and are further developing. We do work with various other countries on request. We certainly send some of our experts overseas when they need third-party views on various of their laboratory practices. That has happened in the past. Yes, our international and interstate business is there and one of the requests from my board is that we further pursue that business to expand our base. Among other things, it exposes our staff to a range of other methodologies and other operating environments and it is good professional development.

Hon LIZ BEHJAT: Do you do water testing in Indonesia?

Mr Millington: Currently our water testing is limited to Western Australia. We are currently seeking to expand that to the eastern states.

Hon KEN TRAVERS: With the advent of the synthetic cannabinoids, what impact is that likely to have on you as an agency? I imagine yours is the only place that will be able to identify and test them. Have any resources been provided for that. Have you identified how many additional resources you may need to deal with that issue. It is good to see the Minister for Mental Health here because I am sure it is an issue she is keen to know the answer on as well.

Mr Millington: We have one machine, which was the one we were basically using for the police and coronial work and which became the workhorse for the additional demand because the mining industry and other industry sectors have acted proactively to address this issue. That has meant that we have had an enormous demand recently as a result of which we have bought another machine on line that was not dedicated. As from tomorrow a third machine has been purchased and will be starting to address the demand. We have found that since Friday, when the group of chemicals was made illegal, a large number of extra clients started to make inquiries of us because, rather than being discretionary, they feel it is now mandatory to expand the range of their testing on their workplace to ensure people are not using it.

Hon KEN TRAVERS: Where does that come out of the budget then?

Mr Millington: It is a revenue item and, hopefully, my performance figures will look very good for my performance review next financial year!

Hon KEN TRAVERS: I do not have a problem with that. Does that come out of your asset investment program? How expensive is it?

Mr Millington: The purchase of that equipment was brought forward from our current asset investment. It was flagged for the next financial year, but we brought it forward.

Hon KEN TRAVERS: Is that out of the \$405 000 or the \$195 000?

Mr Blakey: It is self-funded, basically, from internal funds we already have from fee-for-service work.

Hon KEN TRAVERS: Where does it appear in the budget? Even self-funding should appear in the budget somewhere?

Mr Blakey: It appears as an addition to an asset but coming out of cash flow.

[6.20 pm]

Hon KEN TRAVERS: Yes; I am still trying to work out why —

Mr Blakey: I am assuming the question you are asking —

Hon KEN TRAVERS: What sort of price are we talking about?

Mr Millington: This latest piece of equipment was \$195 000.

Hon KEN TRAVERS: Which is the equivalent of your whole expenditure for next year on new scientific equipment.

Mr Millington: Without breaking too much confidentiality in a commercial sense, we have already paid for it.

Hon KEN TRAVERS: I am sure you have paid for it. Will that then be retrospectively added back into the budget? Was that a decision taken after the budget cut-off date?

Mr Blakey: I guess this is showing what it is funded by, and all we have in this budget program is what is being funded by government. We do not have anything there that is funded from internal funds and balances, except for the current year. That particular piece of equipment will be funded in 2010–11 out of the \$161.2 million.

Hon KEN TRAVERS: That is obviously additional expenditure that has been added since the budget was prepared that will be picked up next year when the 2012–13 budget is finally brought down.

Mr Blakey: Yes.

The CHAIR: Any further questions for the ChemCentre? Going once, twice—gone!

Can people indicate if they have questions for science and innovation.

Hon KATE DOUST: On page 463 under “Industry, Science and Innovation” looking at “Employees (Full Time Equivalents)”. The 2010–11 budget had 111 FTEs, yet the estimated actual is 102. What is the reason for this difference and what nine budgeted positions were not filled and for what reason?

Mr Bradley: Essentially, when Commerce picked up this division of Department of Industry and Resources, I think, initially, there were about 123 FTEs. You might recall at a previous session around this table we talked about the Office of Aboriginal Economic Development. It ceased to operate so there was a reduction that brought us back to around about the 102. I think we actually got back to 99. From there a value-for-money audit was undertaken in the whole of the agency that reduced the number of positions in the science and industry innovation area and that got us back to the figure we have at the present time.

Hon KATE DOUST: You may not be able to provide the information tonight for the next two questions, so I am happy for it to be provided as supplementary if you want. Of the 102 positions, is there a breakdown of the areas they work in, such as industry development, science and so on? What is the current breakdown of staff according to level? I appreciate you may not be able to provide that tonight.

Mr Bradley: Those FTE figures will include part of the administrative FTE numbers as well as corporate services, so even though it shows 102 and 88, that will not reflect the number of people who are working in the actual division.

Hon KATE DOUST: Can I have the breakdown of people working in the actual division?

Mr Blakey: Yes. Do you want the actual positions?

Hon KATE DOUST: Yes; I want the breakdown of staff according to level and the actual number working in the division.

[Supplementary Information Nos C3 and C4.]

Hon KATE DOUST: Moving onto the next part on the same line, in relation to this budget, we said the 2012–11 budget target of only 88 FTEs has been provided for. Why have 14 staff been taken away from this area; where did they go; if any were made redundant, at what cost; and what programs or projects have had staffing levels reduced?

Mr Bradley: We will take that question on notice.

[Supplementary Information No C5.]

Hon PHILIP GARDINER: I refer to the service summary at the bottom of page 458, which shows the three areas of consumer protection; safety and employment protection and construction standards; and industry, science and innovation. I will focus on the third one. I am intrigued how the actual of \$66.134 million has increased from 2009–10 to the budget figure this year of \$84.7 million, but seriously declines in the out years. What does that mean in terms of the science strategy of Western Australia?

Mr Bradley: Thanks for the question. To put it into some context, the reductions from 2009–10, 2010–11 were because when there was a change of government a review was announced into the industry and science area, so there was no further allocation. I think we debated here last year no additional money was provided for this area. This year additional money has been provided, in the context of \$10 million for research and \$10.8 million for the SKA. Therefore we have an increase there to \$84 million. Next year the SKA funding will cease, so there will be a \$10.8 million reduction. At this stage, the research and innovation funding has not been provided in the out years. That will allow TIAC, which has just been appointed, to provide government with its science and technology priorities to be considered in its future budget rounds. Royalties for regions funding for the Pilbara maritime common-use facility will also cease. When you take that money away, we lose about \$25 million from the \$85 million, which brings us back to about the \$60 million.

Hon PHILIP GARDINER: It continues to decline going further out. On the same issue, the second line from the bottom of that table on page 466 under “Details of Controlled Grants and Subsidies” is science and innovation. I presume that is science and innovation grants from the commonwealth. From 2011–12 it is \$56.8 million and declines seriously to only \$6.4 million in 2014–15. What does that suggest about the commonwealth’s attitude to what it will give us towards a science strategy?

Hon KATE DOUST: These are state.

Hon PHILIP GARDINER: These are controlled grants and subsidies. Are these grants and subsidies from state science and innovation? Okay; these are expenses by the state?

Mr Bradley: Yes.

Hon PHILIP GARDINER: I am sorry; it is my fault for misunderstanding that. Again, that is equally serious from our own state’s science outlook is it not?

Hon ED DERMER: It is tapering off.

Hon PHILIP GARDINER: It is seriously tapering off.

Hon KATE DOUST: You obviously missed my last two budget speeches, Hon Phil Gardiner.

Hon PHILIP GARDINER: Sorry Kate. Why is there such a serious tail off?

Mr Bradley: As I explained in my previous answer, the government has not provided any money for additional research in this area in the past couple of years because the review was being undertaken. Money has been approved and appropriated for this financial year and TIAC, the body charged to provide advice to government on future funding, has just been established. That group of individuals, hopefully, will provide government with directions for the future and what should be funded. Equally, the minister can put things to that group for evaluation and consider whether they should be funded. It is our anticipation in the coming next budget round that further requests will be made. That figure will change yet again. You are looking only at the forward estimates for which nothing has been provided at this point.

Hon PHILIP GARDINER: You will be aware of the LIGO Australia project.

Mr Bradley: I am.

Hon PHILIP GARDINER: It is a firm offer made to Australia, but really it is for Western Australia. If no strategic direction is being given until the second half of the next financial year, does that mean everything is set so that nothing will happen or are projects of the significance of that kind still relevant for consideration—not for funding but for commitment?

[6.35 pm]

Hon HELEN MORTON: It would appear that the question is more of a policy question and if you want the director general to answer a question on fact, then you need to rephrase the question.

Hon PHILIP GARDINER: With the out years having such a tail-off, for new projects requiring decisions in the science field—we all know that some of these extend out a long way—is there the ability for Western Australia, given what we see in this deterioration of these numbers, to make commitments even though it suggests there is no possible funding?

Mr Bradley: I will try to answer your question this way, if I can: the federal government has not got LIGO as a priority at the present moment. The state government similarly has not got LIGO as a priority, because there is only a limited amount of money. Our priority at the present moment is very much focused on the SKA project and that is reflected in the current dollars that have been provided in the budget in recent years. There is no linkage between the LIGO project and the SKA project. So, at this present time with the limited funds available, we would say that our focus is very much targeted towards the SKA. Equally, it is open to TIAC to provide advice to the minister if they so desire in terms of what should be funded into the future. If LIGO was a project of that ilk,

they could quite easily provide that advice to government. But my understanding of what the LIGO are looking at is they are looking at a \$170 million project. Even if we were to look at 10 per cent of that project and a \$10 million annual investment, that is a lot of money being provided to one project at the expense potentially of other projects across the spectrum.

Hon PHILIP GARDINER: I understand where you are coming from, although I am pretty sure there will be co-funding coming in to reduce that \$170 million. Nonetheless, that is another—okay. In terms of a strategy for science in Western Australia, how do you balance something like an SKA and a LIGO with the other scientific priorities, be it medical or—not so much agriculture. There is another fund you have here—the Nobel laureate fund. How is that processed? What is the decision-making process to make those funds available as they are outlined in this budget?

Mr Bradley: Again, it is our hope that with the new body, TIAC, they will be able to give targeted advice to government in terms of funding these projects. You would have to say that the funding of the Nobel laureates is funding that I think Western Australia can build on. He is a high profile individual and as a consequence he is drawing more money into Western Australia. So, it is a benefit to the state in terms of providing that funding. There is also funding available for fellowships, Premier's fellows and the like, equally to try to elevate the science and bring further dollars or leverage further dollars into the state. I take your point in terms of the competition across various government agencies for the research funding and that is something that we will try to address. Again, hopefully with the advice coming from this group, we will then target more specifically the areas and give that information out to the public so they know exactly where the research dollars are going to be spent.

Hon LIZ BEHJAT: Page 457, talking about the square kilometre array project, the \$10.8 million that is set aside there in the 2011–12 budget year. If I am right, the decision is going to be made next year in relation to SKA and if the decision is that it comes to Western Australia, what sort of moneys are we going to have to be looking at then, or is that going to be funded from other than Western Australia?

Mr Bradley: That \$10.8 million in our current budget is to facilitate the laying of the optical fibre from Geraldton out to Boolardy station, which will then complement the NBN fibre down to Perth and there is a supercomputer to be built at the Pawsey Centre.

Hon LIZ BEHJAT: So if we do not win the project, we will not be spending that money?

Mr Bradley: We will spend all of that money because even if we do not win the SKA, that project will be a valuable addition to science research in Australia and the world and it will still be at the cutting edge for the next decade or more. So, that money is well invested. If we win the project, if we win the bid—the decision is scheduled for February 2012—that is then the result of another MOU with the federal government in terms of what will be the response of the state versus the responsibilities of the federal government. We would assume that the bulk of the funding would be federally directed as opposed to state directed.

Hon LIZ BEHJAT: Page 461, again it is also in “Major Spending Changes”, the Gravity Discovery Centre, the \$1.1 million provided to them over the four years, and also there is a lot of activities there. I know that they are going to be including some of the things from SKA. We all know that the difficulties that that centre has experienced in the past and whilst it is a great centre and I have been there on a number of occasions, is it likely at the expiration of these four years, \$1.1 million, they are going to seek further funding yet again or is it still hoped that sometime in the future it might be able to self-fund itself? It is a \$64 question, I know.

Mr Bradley: If I had a crystal ball—look, we have expended a lot of time and effort working with these people to try to come up with a business plan that is going to be successful so that they will have the opportunity to stand on their own two feet. It is our sincere hope that in four years' time that business plan will bear fruit and that they will be self-sufficient at that time.

Hon LIZ BEHJAT: I hope so. It is a great centre.

Hon PHILIP GARDINER: I know the answer so it is almost a trick question, but —

Hon KEN TRAVERS: You only get those from government members. We never do them from the opposition—never.

Hon PHILIP GARDINER: I understand that there is a material difference between the subsidy per visit of Scitech and the Gravity Discovery Centre. Do you know what the numbers are and who is doing better than the other? I do not mean to cause you embarrassment. The Gravity Discovery Centre is \$10 per visitor; Scitech is \$22 per visitor. It is interesting to me why the Gravity Discovery Centre seems to be copping things left right and centre when it seems to me that compared to both Sydney entities of the same kind and those in Western Australia, they are the most efficient.

Hon HELEN MORTON: So did you have a question then?

Hon PHILIP GARDINER: I pre-empted it to excuse myself, minister.

Hon HELEN MORTON: You already answered the question.

Hon PHILIP GARDINER: I did pre-empt it that way.

Mr Bradley: We fund both.

Hon PHILIP GARDINER: Yes, I know. It is just the equity.

Hon KEN TRAVERS: The other \$12 is supposed to come out of royalties for regions, so maybe you should have a chat to the minister.

Hon PHILIP GARDINER: LIGO is on my mind for that one.

The CHAIR: It is kind of like a self-directed dorothy dixer.

Hon KATE DOUST: It was interesting to pick up on the previous comments made about TIAC and I just had a quick look on the website to see that they have actually identified the four areas that they would like government to focus on and it is a real shame that the first a couple of years have been wasted where government has not had the opportunity to engage with other parts of the community. I know there is a real frustration out there and I know there has been a little bit of difficulty with the settling in period of TIAC and you have recently seen the resignation of the chair, Mr Charlie Morgan, and of Mr John Poynton and I know that you have just appointed a new chair. Have you appointed the additional member to the committee yet or is that still in the offing?

Mr Bradley: The simple answer is no. We have not appointed an additional person at this point. The new chair has only just chaired one meeting and I think there will be a reflection on the new chair and the minister in terms of future appointments.

[6.45 pm]

Hon KATE DOUST: I hope the minister meets the new chair more frequently than he met the last one; he might keep him a bit longer. Just coming back to TIAC, what funding has been provided to TIAC in 2011–12?

Mr Bradley: The same level of funding that was provided previously. I think around about \$560 000 was previously provided and that funding is continuing.

Hon KATE DOUST: Did you want to confirm it?

Hon HELEN MORTON: It has been confirmed, has it not?

Mr Bradley: Daniella has confirmed it.

Hon KATE DOUST: Daniella has confirmed it, okay. What allocation has been made for TIAC in each of the forward estimates years? Will that be the same amount or will that vary?

Mr Bradley: It comes out of operational funding, so in terms of what projects they are working on and, I suppose, how effective they are in terms of coming to me in terms of getting further funds, whether that can be increased. So, it could increase.

Hon KATE DOUST: All right. I mean, that is interesting. I understand part of the argument was about the amount of funding that was required to have TIAC operate effectively was one of the reasons I understand that Mr Morgan left in frustration. That allocation for 2011–12, what is it actually going to be used for? Does that cover things like sitting fees or research or is it admin costs or travel? What is it actually broken down into?

Mr Bradley: Well, anything to run the committee. There will be some sitting fees involved in that, but essentially it does allow us to go out and engage consultants to do particular pieces of work. It is going to go to enhance the council in coming up to evaluate proposals or even come to decisions.

Hon KATE DOUST: So that allocation of \$500 000-odd, if they engage a consultant for a research project, can they obtain additional funding for that or does it have to come out of that pot of money?

Mr Bradley: What do you mean additional funding? Over above the \$560 000?

Hon KATE DOUST: Yes.

Mr Bradley: That would be a question then that I would have to evaluate in terms of the benefit that is going to come from going forward on that project if I was to take it out of operational money. But it does not stop us from doing that.

Hon KATE DOUST: Pleased to hear that. Coming back to page 461, the second dot point on that page refers to the Industry and Technology Development Act 1998. I understand a review is being undertaken. Why is the review being undertaken and who is conducting the review?

Mr Bradley: Why is the review being undertaken?

Hon KATE DOUST: Why is it being undertaken?

Mr Bradley: Because it is a statutory review which is to occur every five years and it has not happened at this point in time.

Hon KATE DOUST: So who is conducting it?

Mr Bradley: Natalie Durr.

Hon KATE DOUST: Okay. What is the cost of the review so far and what will be the total cost?

Mr Bradley: It is probably not going to amount to a great cost. There will be some incidentals, but at the present moment Natalie Durr is a general counsel employed within the agency, so it is already part of an FTE that we have.

Hon KATE DOUST: Who is going to be consulted as part of the review or who has already been consulted as part of the review?

Mr Bradley: You must understand that the review is a review for the minister. A number of people were written to inviting comment and that is something between the reviewer and those individuals.

Hon KATE DOUST: When that review is completed—you might be able to give me some ballpark idea of when that is expected—will that report be made public by the minister?

Mr Bradley: The review is expected to be completed around about September. I think it is the intent that the minister would table the review findings in the Parliament.

Hon KATE DOUST: Page 457—I know Hon Philip Gardiner made a very brief reference to this. This is the “Major Spending Changes” and there are several items listed under this heading that have an impact and they are listed under the 2011–12 budget, but there does not appear to be anything in the forward estimates for each of these. The Office of the Noble Laureates has \$800 000, the research and innovation fund \$10 million and the research fellowship \$500 000. Can

you provide an explanation of each program and also provide an explanation as to why none of these are funded in the out years and will any of —

The CHAIR: Just pause there a minute.

Mr Bradley: I definitely will have an attempt to try to satisfy the member's interest. The Office of the Noble Laureates is to continue. What we are doing at the present moment is working with them to develop a further business case. So, that will allow that business case to be factored into future funding or budget requests.

Hon KATE DOUST: To continue their office?

Mr Bradley: To continue, yes, and at the present moment our funding is designed as supporting the administration of that office.

Hon KATE DOUST: But what does that office actually do? What is the function of that office?

Mr Bradley: The function of that office essentially provides—I think there is two people supporting the two fellows, the two Nobel laureates—that is, Professor Warren and Professor Barry Marshall. They provide admin support to their various activities during the course of the year, whether that is coordinating international overseas trips or local trips and local engagements. Do you want me to go further on that?

Hon KATE DOUST: Yes.

Mr Bradley: I do not think I can.

Hon KATE DOUST: Is that what they do? Is there anything more?

Mr Bradley: They run their office in the context. They run admin processes within the Office of the Nobel Laureates. The research fellowship program is designed to bring research fellows to Western Australia. The idea of that concept is to hopefully leverage further funding and further individuals coming into Western Australia. If you look at Professor Quinn out at ICRAR and what he has done there, he has got a fairly big organisation that has been leveraged as a result of bringing him out. So the idea is to continue the funding there as well and try to attract further fellows and further research opportunities for our academics. The research and innovation fund is a new fund that has been provided and we are looking to try to continue. Part of that funding could be used to attract further fellows if we need. It has been established for investment into innovation and research initiatives that support the growth of industry sectors. The \$10 million is aimed attracting a greater level of commonwealth research and development investment into Western Australia. The type of programs that we will look at will again be the Western Australian fellowship program, the innovation co-investment program, innovation investment facilitation program, innovation promotions programs, awards programs, industry commercialisation program, industry facilitation program and innovation vouchers program. Each of those programs—the minister intends providing them to TIAC and requesting TIAC to provide him with advice as to what programs he should support.

Hon KATE DOUST: Page 466, under the “Details of Controlled Grants and Subsidies”, “Science and Innovation”—I know that this was referred to earlier and this might be something that you might want to give to me by way of supplementary information. I just want to know what is the funding allocated to each grant or subsidy in 2010–11, the estimated actual, and also 2011–12, and also for each of the out years. I am happy for you to provide that at a later stage.

Mr Bradley: You wanted 2010–11 as well?

Hon KATE DOUST: I want the 2010–11 estimated actual, 2011–12 and for each of the out years.

Mr Bradley: We do have a list here if you wanted it.

Hon KATE DOUST: Do you want to table that?

Mr Bradley: Have you got a fresh copy?

Hon KATE DOUST: Happy to have yours, Brian, if it has got extra information scrawled on it.

Mr Bradley: I think the best idea is we will provide that by supplementary information.

[Supplementary Information No C6.]

Hon KATE DOUST: Again, this is page 466, “Controlled Grants and Subsidies” and again you may want to provide this at a later stage. I want to know what new projects, programs, grants or subsidies are being proposed in the 2011–12 budget that were not funded previously.

Hon HELEN MORTON: Is that under the science and innovation line again?

Hon KATE DOUST: Yes.

Hon HELEN MORTON: You want to know which of those ones that is going to be provided to you are those that were not funded previously?

Hon KATE DOUST: Which new projects, programs, grants or subsidies are being proposed in the 2011–12 budget that were not funded previously listed under that science and innovation.

Mr Bradley: Basically that money is the \$10 million money

Hon KATE DOUST: And that is it?

Mr Bradley: Well that money has not been allocated at this stage.

Hon KATE DOUST: So there are no other new grants or programs?

Mr Bradley: I am thinking the SKA basically is old, so the \$10.8 million there has new money, but a lot of those projects are not projects that have been previously funded. There is WAMSI money as well.

Hon KATE DOUST: How much is that?

Mr Bradley: That is \$9.5 million.

Hon KATE DOUST: Is that the money that has just been announced under Health?

Mr Bradley: It is \$9.5 million over the four years. That is the WAMSI money, which is new money.

Hon KATE DOUST: There is nothing else at all?

Mr Bradley: IMOS is another \$6 million—integration marine observation system. There is the funding of \$5 million for the feasibility study in the north west.

Hon KATE DOUST: That is it?

Mr Bradley: Yes.

Hon KATE DOUST: You do not want to go away and think about it and something else might pop up?

Mr Bradley: I do not think anything is going to pop up

Hon KATE DOUST: That is a shame. My next question is on page 458 and it is under the service summary, industry science and innovation, and I want to know what work the Department of Commerce has done to facilitate the rollout of the national broadband network in WA in 2010–11—I know Daniella is probably a full bottle on this—and I want to know what funding has been provided in 2011–12 to facilitate the NBN.

Ms Mattheys: The state government established the broadband working group in response to the national broadband network. The group held its inaugural meeting in February of this year. The group is chaired by Minister Day as the responsible minister. The Department of Commerce has the lead role in coordinating this response and is in the process of developing a strategic position paper for presentation to the BWG at its next meeting in July. The strategic position paper outlines the

position that the state government would like to take in response to the national broadband network. We have undertaken significant consultation throughout the industry and key government agencies, as well as other stakeholders, and are looking now at working with particularly the second release sites in relation to identifying opportunities as part of the rollout. At this point we have \$25 000 allocated to the administration of the broadband working group, but this is a federal initiative so no further funding has been allocated at this point.

Hon KATE DOUST: I just want to go back to where we started on the Bentley Technology Park on page 464. I know that this is a significant project not, just for this portfolio, but certainly for my electorate in south metro. This is a project that has been a long time in gestation and I know that there is a lot of interest in the area and in the process of having the facility of the Technology Park there. Is there any reason why Planning would be holding this up? I mean, given it has been so long in the process.

Hon HELEN MORTON: Is Planning holding it up?

Mr Bradley: Not to my knowledge.

Hon KATE DOUST: I just wonder —

Hon HELEN MORTON: Was the answer that Planning is or is not holding it up?

Mr Bradley: No, to my knowledge Planning is not holding anything up there at all. We are actually working with them.

Ms Mattheys: Any delays are just them getting across the subject matter and the complexities. There are a couple of other planning activities in relation to strategic Directions 2031 that are impacting on the way that they move forward. So they have had to re-evaluate to a certain extent how we progress this and how they progress this.

[7.00 pm]

Hon KATE DOUST: Have there been any further discussions with Curtin University about the selling off of any land from Bentley Technology Park?

Mr Bradley: Recent discussions?

Hon KATE DOUST: Yes.

Mr Bradley: No, no recent discussions.

Hon KATE DOUST: There were when Minister Buswell was responsible and I am just wondering have there been any since that time.

Mr Bradley: I cannot speak for respective ministers since that time but definitely, from my understanding, both with Minister Marmion and Minister Day, that is not part of the equation.

Hon KATE DOUST: My last question comes back to a theme that Hon Phil Gardiner talked about, on page 458, under “Outcomes, Services and Key Performance Information”. On the table on that page there is a section on financial economic responsibility for industry sites and innovation, and it talks about responsibly managing the state’s finances through the efficient and effective delivery of services and encouraging economic activity and reducing regulatory burdens on the private sector. Given the state of science and innovation in this state and the narrowing, if you like, of the focus on where money is expended on the SKA and a couple of other areas, this comes back to the strategy of what government is doing to engage with other parts of the science community and industry in this state, such as biotech and ICT, so that as well as the SKA, we can help to develop other areas of opportunity for the state.

Mr Bradley: I do not believe that there has been any dilution of that requirement. I do understand that there was a certain hiatus that occurred with the review and that things did not progress as fast as a lot of people thought they would, but I believe that the agency, in particular, is consulting very

well with all institutions and various industry associations to progress areas and issues. I might sound a little bit like a broken record in this context, but we hope that TIAC can give further direction in and around this space. That is our hope. I think in the coming months you might see that there will be some activity in that regard.

Hon KATE DOUST: I hope so.

Hon LIZ BEHJAT: Just following on from Hon Kate Doust about engaging with local science communities, I am wondering if there is any work being done in engaging with science communities in other countries like, for instance, India. We travelled there in December last year and saw some projects there, but I know that in 2007 TIAC put together a paper in relation to emerging economies in India and things like that, so I am wondering if any of that work is continuing under science now. While we were in India there was an MOU signed between Chennai Business School and Curtin University in relation to an exchange between those facilities, but I am wondering from a science point of view if there is anything happening with India.

Mr Bradley: In terms of specific government-related issues, not at this juncture, but I am fairly confident that the academic institutions are undertaking that activity.

Hon PHILIP GARDINER: Will India or any other countries that Hon Liz Behjat referred to be joining us if the SKA goes ahead?

Mr Bradley: Just on that point, we understand our Premier has written to India encouraging them to join. We were encouraged when China signed up, so we hope our neighbours in this region support the Australian–New Zealand bid.

Hon PHILIP GARDINER: If we do not win it, do you think that they would still be part of it?

Mr Bradley: How do you mean?

Hon PHILIP GARDINER: If we do not win the SKA —

Hon HELEN MORTON: Do you mean if Africa wins it, will they be a part of the African —

Hon PHILIP GARDINER: No, will they still participate with us in the role that we are going to play in the SKA project internationally—to which you referred before, I thought.

Mr Bradley: It is pretty difficult to answer the question as to where it is going to go.

Hon HELEN MORTON: Too hypothetical.

Hon PHILIP GARDINER: I understand that they are interested in the LIGO thing.

Hon LIZ BEHJAT: We might have to do some lobbying during CHOGM.

Hon KEN TRAVERS: How many resources have you got allocated over the next 12 months to actually monitoring local content?

Mr Bradley: That is not part of this jurisdiction.

Hon KEN TRAVERS: Is not it?

Mr Bradley: It is commerce.

Hon KEN TRAVERS: But which part of commerce does it come under?

Hon HELEN MORTON: Can I just make the comment that it is not necessarily part of science and innovation. What part of commerce it comes under is another matter but it is certainly not part of science.

Hon KEN TRAVERS: So it is not under the line item “Industry, Science and Innovation”?

Mr Bradley: It is, but in terms of reporting, it reports to Minister O’Brien.

Hon HELEN MORTON: It is actually very confusing, I know, because of the way that the budget is structured around science and innovation being incorporated into the commerce section, but there are elements of it that do not belong to science and innovation as such.

Hon KEN TRAVERS: Can you maybe give me a clear explanation of where the responsibilities lie between the science and innovation portfolio and the industry portfolio? Only from the perspective of science and innovation, of course—what they say are their responsibilities and what they see as the industry's responsibilities, and how they then manage the reporting functions that go with that.

Mr Berry: Member, it is complex when we are looking at the local content area—that is, looking at it as pure industry. For the rest of the division, looking at industry and science, I guess the magic word that blurs a lot of it together is “innovation”. So, we are interacting for the majority of the division with industry, and industry players are looking in the research and innovation space. The majority of those players report through to the executive director and through to Minister Day. There is a small group within the division which has focus on local content, which reports through to Minister O'Brien.

Hon KEN TRAVERS: I might be wrong about this but I get the sense that a number of years ago there was a lot more work being done to attract new and emerging industries to Western Australia than there is today, other than the SKA project. Is it your role or is it industry's role to attract those new industries to relocate to Western Australia?

Hon HELEN MORTON: It would be state development.

Hon KEN TRAVERS: But is not state development only looking at those that fit within the requirement to have an agreement act?

Mr Berry: It is outside my jurisdiction, but they look at others as well.

[7.10 pm]

Hon KEN TRAVERS: Let us put it this way: I am a new industry that wants to come and locate in Western Australia. It might be outside your jurisdiction, but I look up the phone book and I see “Industry, Science and Innovation” and I think you are the men I want to ring. I want to bring my industry to Western Australia and I have a high-tech industry located in Saudi or South Africa, and I want to come to Western Australia. Who do I talk to?

Mr Berry: I think the best answer I can give you there is that we do complement each other. We work hand in glove to try to make sure that that industry does come to Western Australia, whether it falls within state development at the higher end of the scale, as you say, or at the lower end of the scale where we would probably operate.

Hon HELEN MORTON: The answer probably is that there is no wrong door. Whatever door you open, you will be facilitated —

Hon LJILJANNA RAVLICH: I think they will find there is probably no right —

Hon KEN TRAVERS: I have had the doors shut in my face; that is why I am asking the question. The reason I ask it is that I have in the past taken businesses around with departmental people in the Joondalup area because they were looking to relocate to Western Australia, and they were looking for a suitable location. I am just wondering who is doing that work and who is actually held responsible for that work these days.

Mr Bradley: In the context of what you have just described, we would say that you would come to us.

Hon KEN TRAVERS: How many staff or FTEs do you have allocated to doing that sort of work?

Ms Mattheys: Probably 34 to 36-odd on the industry side and whatever the balance is on the science and innovation side, but we see it very much as an integrated process, so we do not see science, innovation and industry necessarily in isolation.

Mr Bradley: But I think, for the member's benefit, you have to expand. If you just look at local content, there is only a handful of people in local content but there is a range, half-and-half, which is spread across the activities of the agency, with innovation as well. But we are going to announce that there will be a revamping of the local content area.

Hon KEN TRAVERS: I am glad to hear that, but I guess it is more about getting a sense of the work that we are doing to attract new emerging industries. I am just not sure what that is; one day the boom is going to end and we are going to have nothing left—quarries will close down. I am just trying to work out who is the minister responsible for making sure there is an economy after the boom. Is that your minister or is that someone else's minister?

Mr Bradley: I think it is my minister. I was just going to say, Minister O'Brien is set to make some announcements soon.

Hon KEN TRAVERS: So at the level of the agency, do you operate as one or do you only become schizophrenic when you start reporting to the ministers.

The CHAIR: The Minister for Mental Health will object to the use of that term!

Hon HELEN MORTON: I do object to the use of that term.

Hon KEN TRAVERS: Well, I do not know a better term to use in the circumstances.

Hon HELEN MORTON: I do not think that is a good term. I think what you really mean is: do you then have to make a decision —

The CHAIR: Manage contradictory matters.

Hon HELEN MORTON: — about which way you deal with the matter.

Mr Bradley: As complex as it is explaining it to you here tonight, it is very easy to operate under the system in reporting to —

The CHAIR: Is that reassuring? We are not quite sure!

Hon LJILJANNA RAVLICH: He is talking about the end users, though, and that is not the department. I think that is the difference.

Mr Bradley: In reporting to the ministers, it is very easy to work that process out.

Hon ED DERMER: What is the advantage of separating the funds between the two ministers?

Hon HELEN MORTON: I think that that is probably not an appropriate question for the director general.

Hon KEN TRAVERS: No, but we can ask you, minister.

Hon HELEN MORTON: Yes, and I will have to take it on notice.

Hon KEN TRAVERS: Can you not explain it to us, minister?

Hon HELEN MORTON: You have not actually asked the question of anybody.

The CHAIR: Is that supplementary information C7?

Hon ED DERMER: I certainly hope so.

Hon HELEN MORTON: Do you actually want that answered?

Hon ED DERMER: I think it is very interesting. I am listening to the exchange with Hon Ken Travers and I see the complexity and difficulty in answering quite simple questions, and I am wondering: what is the advantage of having a process where there are two ministers receiving a report? What I am seeing at the moment is complexity without clarity.

Hon HELEN MORTON: I am going to say that it was very much the view that science and innovation needed a dedicated minister, and as a result of that it was considered that Minister Day was an appropriate person to take on that role.

Hon ED DERMER: Why not have the entire reporting going through to the minister?

Hon HELEN MORTON: I don't know the answers to that one, but I actually think it would then not be a dedicated minister for science and innovation. It is a bit like you asking: why not leave mental health with the Minister for Mental Health? It is because mental health needs a specific focus as well. Science and innovation needs a specific focus and a dedicated minister, and the decision was made to make that happen.

Hon ED DERMER: So you are confident that you are not getting dissipated focus by having two ministers?

Hon HELEN MORTON: Pardon?

Hon ED DERMER: You are confident you are not getting a dissipated focus by having two ministers?

Hon HELEN MORTON: No, not at all; in fact, the opposite. They have a very specific focus because you have a dedicated minister for science and innovation.

Hon ED DERMER: Part of the reporting is going to a different minister.

Hon KEN TRAVERS: Do you have any performance indicator that records the amount of new industry you recruit to Western Australia?

Mr Bradley: No.

Hon KEN TRAVERS: So what is your performance indicator in the area—not the local content, in terms of recruiting the work that is being done in WA—of expanding the WA economy?

Mr Bradley: It is about the investment and leveraging of money into the state. I think the indicator in here is —

[7.20 pm]

Hon KEN TRAVERS: In research terms?

Mr Bradley: Yes.

Hon KEN TRAVERS: That is about the research, but as I read it you also have a commercialisation function and an industry attraction function. What is your performance indicator for those areas or is what you are doing only in name but not in practice?

Mr Bradley: We would be still looking at the same indicator.

Hon KEN TRAVERS: But attracting new business does not relate to research functions.

Hon KATE DOUST: Or developing industry in the same way as biotech or ICT.

Hon KEN TRAVERS: If you go back to when the Bentley Technology Park was established, that was all about attracting new industry and it attracted pharmaceutical industries. It attracted a whole range of new industry that would help underpin a new broader economy for Western Australia, which seems to be the function that you are asked to provide under science and innovation—you know, supporting industry development through innovation and commercialisation, and promoting industry, science and innovation.

The CHAIR: They might have an answer if you pause for a breath.

Ms Mattheys: Very broadly, the operations of the industry science innovation division obviously look at science and innovation, but industry as well. So, we look at the value chain from science and research, through commercialisation into industry development. Really, what we are looking at in the context of traditional industry development activities is continuing our activities on the

Australian Marine Complex in Henderson, in terms of provision of common user infrastructure. That is where the AMC's north activity will come from, and we have a very active engagement with our stakeholders in industry to develop initiatives, really, to further industry in that regard. So, I don't think one can really necessarily separate out specific elements. They are interlinked and they are part of our core business, so I do not know that there could be necessarily a specific KPI associated.

Hon KEN TRAVERS: But if they are integrated and part of your agency, surely you should have some sort of key effectiveness indicator that measures whether you are achieving that. Whether we are attracting new industries or some of the industry that is located down at the AMC or at Technology Park in Bentley, surely we should have some measure about our effectiveness in doing that, or of the amount of venture capital money that is being invested into Western Australia. Reading the index of funding leverage obtained for Western Australia from science and innovation research grants, it does not strike me that the two things I have mentioned would be picked up under that key performance indicator, or am I wrong? I am happy if I am wrong.

Ms Mattheys: Certainly that is one of the challenges that we face—some of the indicators are quite difficult to measure and often have long lead times. We have commenced a process of the stem evaluation framework, which we are about to commence in terms of trying to measure the returns to the state on science and investments, as well as outcomes in the industry sector, so that is a framework that we are looking to commence internally to start measuring those activities.

Mr Bradley: If you look at page 463, there is a cost per industry, science and innovation project managed figure. The indicators reflect the full cost, including overheads, of conducting the department's activities; the amount of the department's expenditure attributed to the provision of each program is calculated based on the amount of estimated staff time allocated to undertaking the activities associated to that program. The types of science and innovation programs for this key efficiency indicator include projects in innovative WA programs—centres of excellence; science initiatives; specific purpose funding policy; marine and defence; and broadband technology parks.

Hon KEN TRAVERS: Maybe what I can do then is ask for supplementary information: can we have a breakdown of how that average cost per industry efficiency indicator is determined? What are the projects and what are the estimated amount of hours and cost spent on each project that goes to working out that efficiency indicator? Maybe we could get that as supplementary information.

Mr Bradley: There are 88 units.

Hon KEN TRAVERS: Yes, but I would not mind getting a list of what they are and, for each one, what their —

Mr Bradley: All 88 of them?

Hon KEN TRAVERS: Yes. It is hard to see what they are.

[Supplementary Information No C7.]

Hon KATE DOUST: My question is: I want to know where things are at with Scitech. I know there has been some talk. I couldn't find anything in the budget in relation to Scitech. In terms of their lease, I understand it was due to expire at City West in 2013. I know that there have been other options mooted and, I think, since dismissed, and as we get closer to that time I am just curious to find out where things are at in terms of the future of Scitech and where it will be located.

Mr Berry: Scitech is required, under its current agreement, to have a mid-contract review, and that process has been running for the past several months and a report is due fairly soon. The ambit of that report will include a number of the issues pertaining to the future location and the value of Scitech and where it can be improved.

Hon KATE DOUST: Will that report be made public or will it be tabled?

Hon HELEN MORTON: I would say that that is the minister's call and at this stage I do not know the answer to that.

Hon KATE DOUST: I guess we will just have to ask him that in due course and ask him to table it.

Mr Berry: But looking forward from that point, we have tied our expectations in the department as to how we would manage it to what comes out of that.

The CHAIR: Thank you members. I will just do the concluding words here. The committee will forward any additional questions it has, if there are any, to the minister in writing in the next a couple of days, together with the transcript of evidence which includes questions that you have taken on notice. If members have any unasked questions, I ask you to submit these to the committee clerk at the close of this hearing. Responses to these questions will be requested within 10 working days of receipt of the questions. Should the agency be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. Finally, on behalf of the committee, I would like to thank you all very much for your assistance and attendance this evening, and we will now formally close this hearing.

Hearing concluded at 7.27 pm.
