

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2017 - 2018 Budget Estimates
31 May – 1 June 2017

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: The National Measurement Institute

REFERENCE: Written Question – Senator Carr

QUESTION No.: BI-92

1. During Senate Estimates on 31 May, Ms Beauchamp stated ‘ANSTO has come up as an option to look at but there are other options that are being looked at as well’. We know from the following day’s hearing that CSIRO was also considered. Has the Department considered any other options to ensure the sustainability of the NMI? If so, please provide details.
2. What other measures is the Department pursuing to ensure both budget sustainability and long-term sustainability of the NMI?
3. Please outline the big capital expenditure projects that need to be undertaken at the NMI and its associated facilities over the next five years, and their projected cost.
4. How many sites does NMI have across the country?
5. Please provide a breakdown of the number of NMI customers for each of the past five years.
6. Please provide a breakdown of external earnings for the NMI for each of the past five years.
7. On page 64 of the Hansard for Senate Estimates on Thursday 1 June, Ms Beauchamp refers to ‘a number of reviews around metrology services and analytical services’ that the Department has undertaken in relation to the NMI. Please provide these reviews.

ANSWER

1. A consolidation with CSIRO was considered in 2014-15. As part of the CSIRO consolidation considerations, an option to transfer the legal metrology functions to the Australian Competition and Consumer Commission (ACCC) was canvassed. The view was formed at the time not to proceed.

In 2015, the department initiated a review of the legal metrology functions and methods with the aim of improving their efficiency and effectiveness, and approaches to best practice regulation.

A market sounding with a number of service providers of analytical services was undertaken in 2015 to find out any level of interest, which services were of interest, and the arrangements under which acquisition of the analytical services business might take place.

2. The department is currently working with a number of government departments, who are direct and/or indirect beneficiaries of analytical services from NMI, to identify ways to recover the full cost of providing the services.

NMI has closed a number of smaller trade measurement sites as leases have expired, reducing property expenses whilst enabling field officers to benefit from co-location into larger offices. In April 2017, NMI’s analytical laboratory at Kensington, Western Australia

closed, with the analytical services, methods and equipment transitioned from NMI to ChemCentre, the Western Australian Government's statutory authority responsible for providing analytical and forensic science services.

NMI is continuing to implement a number of recommendations of the review of the legal metrology functions and methods.

NMI continues to work with CSIRO on accommodation considerations in Sydney.

3. NMI is not currently planning any big capital expenditure projects over the next five years.

NMI would expect to continue to purchase laboratory and other equipment needed to maintain technical measurement capability and infrastructure but would not expect any single item of equipment to exceed \$1 million.

4. NMI used 26 sites across the country, as at 31 May 2017.

5. and 6.

Year	Number of customers	Total external revenues (\$ million)
2011/12	3213	30.7
2012/13	3121	31.6
2013/14	2910	31.2
2014/15	2828	31.2
2015/16	2768	31.0
YTD July 16-May 17	-	27.9

7. Review of the National Measurement Institute (2012)
National Measurement Institute Strategic Options & Market Analysis Report (2015)
National Measurement Institute Market Sounding Report (2015)
National Measurement Institute Market Sounding Brief (2015)
Review of the National Measurement Institute's Legal Metrology Activities (2015)
Legal Metrology Policy Review – Response Paper (2016)