

Chairman; Mrs Michelle Roberts; Mr John Day; Mr Sean L'Estrange; Ms Simone McGurk; Ms Eleni Evangel;  
Mr Paul Miles

---

**Division 38: Culture and the Arts, \$139 172 000 —**

Ms W.M. Duncan, Chairman.

Mr J.H.D. Day, Minister for Culture and the Arts.

Mr A. Ferris, Acting Director General.

Mr D.N. Ansell, Acting Deputy Director General.

Mr T. Loiacono, Chief Financial Officer.

[Witnesses introduced.]

**The CHAIRMAN:** The member for Midland has the first question.

**Mrs M.H. ROBERTS:** First up, I want to ask some questions about the new state museum. I note that it is mentioned in several places in the *Budget Statements*. On page 463 under “Significant Issues Impacting the Agency” it says that the government has committed \$428 million and that the museum is in the project definition phase. At the bottom of page 467 the museum is also mentioned under “Asset Investment Program”, where it is stated —

- planning money for a new State Museum of \$1.9 million reallocated from 2012–13. The Government has committed \$6.5 million to commence construction of the new State Museum in 2013–14 at an estimated total cost of \$428.3 million;

On page 468 the museum is mentioned under the heading “Works in Progress” and over halfway down that page there is a line item for the “New state museum” with figures of \$6.5 million, \$35.8 million, \$29.1 million and \$84.4 million. When I add up those numbers, the total is about \$155 million out of the \$428 million committed to the museum. Therefore, the museum will clearly not be finished by 2016–17 because nearly two-thirds of the money will still not have been spent—there is about \$272 million still to be found out of the total of the \$428 million that is not in the forward estimates. When will the museum be completed; and, can the minister provide some other details about where it is up to at the moment? Have architects been appointed; and, if not when are they likely to be? What are other milestones for the project as it is planned?

**Mr J.H.D. DAY:** The project is certainly happening. It was a very significant decision by the government in last year’s budget to go ahead with the museum and that has been maintained in this year’s budget. The member is correct; the museum certainly will not be completed by 2016–17 and we have never indicated that that would be the case. It will be completed by late 2019 or early 2020. The date will be more precise once the exhibition fit-out has been completed and installed, which we expect will be early 2020. As the member said, at the moment the project is in the project definition plan stage. An architectural firm, Johnson Pilton Walker, has been appointed to assist with that process. Another firm, Root Projects Australia, has also been appointed as planners for the project. It has a lot of experience developing cultural facilities. I think we put out a media statement a month or two ago that has all that information. Johnson Pilton Walker is based in Sydney. The procurement process was gone through and it was the successful firm. We expect the appointment of an architectural firm for the actual design of the building to occur during next year. We expect the project definition phase to be complete in about December this year. An expression of interest will be put out to the market for the procurement phase in about June next year. Then a request for a proposal will be put out to the market in September next year and the main contract awarded in April 2015. Early works for the main building delivery will commence in early 2016 with the main construction work to be completed by around the middle of 2019. Then, as I said, the complete fit-out and installation will be completed by early 2020. The important part of the museum project is also changing what is provided out of the collections facility in Welshpool, and we expect the works will commence there during next year, with phase 1 to be completed in early 2015. That will involve internal construction works and roof repairs, a new wet store and laboratories in 2016. That is at Welshpool and that is part of the overall project. What happens there is important to the delivery of what will be provided at the Perth Cultural Centre.

**Mr S.K. L’ESTRANGE:** Page 462 of the *Budget Statements* outlines spending changes. It states that \$24 million is included in the Department of Culture and the Arts budget for regional arts support, with \$2 million in 2014–15 and \$11 million over the following two years. How will this money be invested to deliver culture and arts outcomes in the regions?

**Mr J.H.D. DAY:** This is a significant amount of money. Madam Chair will be familiar with the commitment made during the election campaign out of the royalties for regions program that this funding is allocated from. Decisions have not been made about how the money will be expended in detail at this stage, but there are discussions going on between the Department of Culture and the Arts and the Department of Regional

**Extract from *Hansard***  
[ASSEMBLY — Tuesday, 20 August 2013]  
p100b-105a

Chairman; Mrs Michelle Roberts; Mr John Day; Mr Sean L'Estrange; Ms Simone McGurk; Ms Eleni Evangelis;  
Mr Paul Miles

---

Development to determine the appropriate priorities. Some of the issues that need to be considered are the maintenance and management of operations of regional performing arts centres, for example, and also facilitating touring programming in regional centres, which is also something that will be considered.

[9.30 pm]

**Mr A. Ferris:** We will be working with the Department of Regional Development over the next few months to develop a submission that will go back to government that will outline all the elements of this. As the minister has said, it is largely about the infrastructure in the nine regional centres, but also about the people, the way the facilities are managed, the way those people are supported and the ability to tour product into all those venues. It will be a combination of all of those, and that needs to be worked through with the Department of Regional Development and put back to government for endorsement.

**Ms S.F. McGURK:** I refer to the line item for arts projects and organisations in the details of controlled grants and subsidies table on page 470. There is a reduction in expenditure between 2013–14 and 2014–15. Can the minister tell us which programs and organisations will suffer cuts in ongoing funding and grants?

**Mr J.H.D. DAY:** Generally, no cuts are being made. Generally, grants are provided for a finite period and then they come to an end. In that category, some funding that was provided through the previous government's Ignite program has come to an end. Other funding that was initiated through that program is continuing. It is generally a result of either grants or specific time-limited funding that has been provided coming to an end.

**Mr T. Loiacono:** As the minister has outlined, there are former arts funding programs that were finite. They were funded over one, two, three or four years. Most of those came to an end in either 2011–12 or 2012–13. Out of that funding, some ongoing funding remained within the department's grants budget, but the member will see that that peaked in 2012–13 and slowly drops off to what becomes normal funding levels.

**Ms S.F. McGURK:** I am trying to get an idea of examples of some of the programs that have reached an end.

**Mr T. Loiacono:** By way of example, there was one-off funding for a program called the sculpture project. That came to an end in 2010–11. We had international showcase arts events that also concluded in 2010–11, but some of the funding carried over into 2011–12. A major production of a WA-commissioned series also came to an end in 2010–11 and carried over into 2011–12. Additional funding that was put into some of our cultural venues was finite funding. A number of programs were finite in their funding period.

**Ms S.F. McGURK:** Have any programs ended prematurely as a result of the cuts outlined in that line item?

**Mr J.H.D. DAY:** No, not to the best of our knowledge.

**Mrs M.H. ROBERTS:** I refer specifically to the financial statements on page 469 of the budget papers. It states —

The Income Statement shows an estimated decrease in the Total Cost of Services of \$7.3 million (4.3%) for the 2013–14 Budget Estimate compared to the 2012–13 Estimated Actual. This decrease is mainly attributable to:

- a reduction in grants and subsidies (\$2.8 million);
- a reduction in supplies and services (\$2.8 million);
- a reduction in accommodation (\$3.4 million); ...

I would like the details of how those reductions were achieved. Where were the specific cuts?

**Mr J.H.D. DAY:** As we just explained, some programs came to an end.

**Mrs M.H. ROBERTS:** The department estimated that it would spend more and then it clearly cut money, presumably because of an efficiency dividend or whatever. Where was it cut from? What were the actual line items?

**Mr J.H.D. DAY:** The estimated actual total cost of services will decrease by about \$7.3 million. That relates to workforce reform savings of \$4.672 million; a depreciation funding adjustment of \$3.4 million; Art Gallery facade maintenance funding in 2012–13 that turned out to be \$3 million less than was allocated; lapsed commitments included in the 2012–13 budget that were \$2.6 million less; a Lotterywest grant projected to reduce in 2013–14 that was \$1.5 million less; and the Museum of Modern Art exhibitions 1 and 2 insurance one-off funding that was \$1.195 million less. All of that was offset by the following increases: agency operating deficit funding of \$4.967 million that was allocated by Treasury; additional funding of \$2.337 million for the Art Gallery MoMA series; and provision for salary and cost escalation of \$2.212 million.

**Mrs M.H. ROBERTS:** I have a point of order on that. The minister has provided answers to some questions that I did not ask and some partial answers to questions that I have asked.

**Mr J.H.D. DAY:** It all adds up to a \$7.3 million reduction. I was giving the member a breakdown of how that was determined.

**Mrs M.H. ROBERTS:** No. Unless the minister's maths is different from mine, he has read out numbers that totalled way more than \$7.3 million.

**Mr J.H.D. DAY:** The last three figures were positive, so they are added back in.

**Mrs M.H. ROBERTS:** I asked for specifics under the matters in the bullet points on page 469. A reduction in grants and subsidies of \$2.8 million has been specified. What grants and subsidies were reduced? What supplies and services to the total of \$2.8 million were reduced? What comprised the \$3.4 million accommodation reduction? The minister mentioned a figure of so many million for workforce reforms—I think that was the term used. Workforce reforms do not appear to come under any of the headings that I mentioned under the bullet points on page 469 of the *Budget Statements*.

[9.40 pm]

**Mr J.H.D. DAY:** We can provide further information through the supplementary process if the member wishes.

**The CHAIRMAN:** Can the minister outline exactly what he will provide?

**Mr J.H.D. DAY:** Further information to explain the figures in the top four dot points on page 469.

[*Supplementary Information No A21.*]

**Ms E. EVANGEL:** I refer to page 463 of the *Budget Statements* and the first dot point under "Significant Issues Impacting the Agency", which mentions the commitment of \$428.3 million for a new museum. I also note on page 468 that a capital appropriation of \$6.5 million is to be invested in 2013–14 for this project. Can the minister provide an update on how this allocation in 2013–14 will be invested?

**Mrs M.H. ROBERTS:** The minister has already answered that, has he not?

**Mr J.H.D. DAY:** Not in as much detail for 2013–14, I guess. The \$6.5 million in funding for the current financial year will assist with renovations to the Welshpool collections and research centre, which I mentioned to some extent earlier. As I said, that will be important in the overall operations of the Museum. The Welshpool centre is worth visiting—if any member, government or opposition, is interested in going there, we can arrange that; it is a fascinating building. It is where most of the Museum's collections are held and is very important to the Museum's operations. Also, there will be further planning work—project definition phase work—undertaken this financial year, which will be assisted by that funding allocation.

**Ms R. SAFFIOTI:** My question relates to page 462 of the *Budget Statements* and follows on from some of the questions raised by the member for Midland about some of the key spending changes. Public sector workforce reform has figures of \$4.6 million in 2013–14 followed by \$1.9 million and \$2 million in the following years. How many staff does that represent will be cut from the agency?

**Mr J.H.D. DAY:** I ask Alan Ferris to explain.

**Mr A. Ferris:** The \$4.674 million is pretty much a continuation of the FTE savings that were at the top of that page in 2012–13.

**Ms R. SAFFIOTI:** Sorry; how many staff does that represent?

**Mr A. Ferris:** Probably between 45 and 50 staff. As the member is probably aware, a cut was made in September last year with regard to the FTE ceiling that was imposed. That has been continued into 2013–14.

**Ms R. SAFFIOTI:** So it is 45 to 50 staff.

**The CHAIRMAN:** Do you have a further question, member for West Swan?

**Ms R. SAFFIOTI:** Yes, I do have a further question. There is an increase of \$5.1 million in own-source revenue in 2012–13. Can the minister explain the source of that increase in own-source revenue?

**Mr J.H.D. DAY:** I am advised that the change relates to increased estimated revenue for the sale of goods, an increased grant to ScreenWest and interest revenue generally. ScreenWest has received an increase through the Lotterywest allocation. The third point is that there is a variation to the revenue collections in line with the commencement and ending date of various exhibitions.

**Extract from *Hansard***  
[ASSEMBLY — Tuesday, 20 August 2013]  
p100b-105a

Chairman; Mrs Michelle Roberts; Mr John Day; Mr Sean L'Estrange; Ms Simone McGurk; Ms Eleni Evangel;  
Mr Paul Miles

---

**Ms R. SAFFIOTI:** I have a further question. Own-source revenue estimates decrease over the forward estimates; there is a \$2.5 million reduction in 2013–14. Can the minister explain the reduction in the own-source revenue estimates?

**Mr A. Ferris:** As I understand it, the second figure the member is referring to is changes in expected revenue from the Museum of Modern Art exhibition series.

**Ms R. SAFFIOTI:** No, I am talking about the own-source revenue estimates of \$1.1 million in 2012–13, \$2.5 million in 2013–14, \$4.2 million in 2014–15, \$1.448 million in 2015–16 and \$912 000 in 2016–17. Is that all MoMA related?

**Mr A. Ferris:** As I understand it, the bulk of it is changes in the expected revenue for the MoMA exhibition series.

**Ms R. SAFFIOTI:** How long does that exhibition series —

**The CHAIRMAN:** Questions are to go through the minister, please.

**Mr J.H.D. DAY:** It is a three-year time frame and we are in the third one now, so it will go to mid-2015.

**Ms R. SAFFIOTI:** My last question about this table relates to the cultural events package and a transfer of money from this agency. Where does that \$600 000 in 2012–13, \$1 million in 2013–14 and \$1 million in 2015–16 go to?

**Mr J.H.D. DAY:** That is being transferred to the Department of the Premier and Cabinet.

**Ms R. SAFFIOTI:** Why?

**Mr J.H.D. DAY:** Given the range of activities that was being considered to be funded through the program, albeit that they are generally arts-related, it was considered more appropriate for them to be in that department.

**The CHAIRMAN:** Thank you, member for West Swan; you have had a fair run.

**Ms R. SAFFIOTI:** I was just going to ask for some supplementary information.

**The CHAIRMAN:** You have had four further questions on that issue.

**Ms R. SAFFIOTI:** With respect, they were pretty quick and they all related to the same table.

**The CHAIRMAN:** Last one.

**Ms R. SAFFIOTI:** By way of supplementary information, can I have details of the events for which funding is being transferred from the minister's agency to the Department of the Premier and Cabinet?

**Mr J.H.D. DAY:** It is not for specific events; it is that amount of funding for community arts events, which I think was initiated in a budget a couple of years or so ago. It is not specific events that are being transferred. We can certainly advise what has been funded to this point in 2012–13. I am happy to provide that as supplementary information.

**Ms R. SAFFIOTI:** That would be great.

**The CHAIRMAN:** Could the minister please clarify what he is providing?

**Mr J.H.D. DAY:** The purposes for which \$600 000 was expended in 2012–13 under the cultural events package listed on page 462. Sorry, I should clarify that \$400 000 was left with the Department of Culture and the Arts. I can provide information about that \$400 000. The other \$600 000 has gone to the other department, so that department or agency will deal with that.

[*Supplementary Information No A22.*]

[9.50 pm]

**Mrs M.H. ROBERTS:** I want to ask a question about the legal deposit legislation, but while we are still on the table referred to by the member for West Swan, I notice the line item "ScreenWest Production Attraction Program" on page 462. There is no money listed for this year and \$500 000 listed for the out years. I expect that the minister will have received correspondence from the Film and Television Institute of Western Australia that is critical of the fact that arts organisations are not getting indexation and have been referred to Lotterywest grants and so forth. Why did the minister make that change? Why has the spending change been made to not provide indexation for those arts agencies?

Chairman; Mrs Michelle Roberts; Mr John Day; Mr Sean L'Estrange; Ms Simone McGurk; Ms Eleni Evangel;  
Mr Paul Miles

---

**Mr J.H.D. DAY:** The ScreenWest production attraction program is a new line of funding that will start in 2014–15, so it is not as though there has been any reduction; it is a new program making additional funding available to ScreenWest to assist in getting productions undertaken in Western Australia. In relation to the indexation issue, there will be additional funding made available to the funded organisations in the 2014 calendar year, which will involve an increase of a four per cent adjustment on their base funding amounts, as indicated —

**Mrs M.H. ROBERTS:** Is that coming from Lotterywest rather than the minister's department?

**Mr J.H.D. DAY:** Yes, that is being funded through the Lotterywest allocation to the arts.

**Mrs M.H. ROBERTS:** Can I ask whether that is indexation, or one-off and maybe funding, into the future? What is the status of that?

**Mr J.H.D. DAY:** Yes, it is for one year, that is correct, and it will provide significant assistance. The ongoing indexation issue is something to be still considered, obviously, as part of the decision-making process in the overall budget. The member will be aware of the overall pressures on the state budget, so it is all part of that mix, but there will be a four per cent increase on the 2012 figure provided to the funded organisations for 2014, so that is a good outcome for them—for that year at least.

**Mrs M.H. ROBERTS:** I also ask whether the minister could comment on the legal deposit legislation: When will the consultation start? When will the legislation be brought forward? I refer to the second bullet point at the top of page 464.

**Mr J.H.D. DAY:** To go back to the member's previous question, the Film and Television Institute is funded through ScreenWest, so any increase in its funding would need to be considered by the ScreenWest board.

What was the member's question in relation to the legal deposit legislation?

**Mrs M.H. ROBERTS:** When will the consultation start? Extensive consultation is referred to in the second bullet point at the top of page 464. How much will it cost? Where is the financial line item for that, and when will we see the legislation?

**Mr J.H.D. DAY:** The legislation has gone through Parliament.

**Mrs M.H. ROBERTS:** It is already through?

**Mr J.H.D. DAY:** Yes. There are regulations being prepared under the legislation; I do not think they have been finalised as yet. We passed the legislation 18 months ago.

**Mrs M.H. ROBERTS:** When will it be implemented?

**Mr J.H.D. DAY:** The library is planning a consultation program with stakeholders to develop the regulations for the deposit of online digital publications in the coming year. These regulations will not come into force for more than 12 months. Having said that, the implementation of digital legal deposit has resource implications for both the staff that will be required to identify and manage the digital legal deposit, and for a preservation technology system to manage the digital resources. The library still has to work through those issues, but it will be starting off the consultation within the next year, I am advised.

**Mrs M.H. ROBERTS:** Can I just get some clarification on that? Have the regulations been drafted, and have they been put before Parliament yet? Is there any money at all allocated for this in the budget?

**Mr J.H.D. DAY:** There is no specific funding allocated as an additional amount; the library has its general allocation, of course. In relation to the regulations, I do not think they have been finalised. Regulations for the deposit of print and other physical publications should come into force later this year. This will not represent a substantial change from the State Library's operations. Any additional resourcing requirements would be relatively minor and can be managed by refocusing existing resources.

**Ms S.F. MCGURK:** I want to take up the question that the member for Midland raised about the lack of indexation for state grants to cultural and arts organisations. Is the minister aware of grants to any other government departments having been subjected to the same restrictions?

**Mr J.H.D. DAY:** I guess the analogy would be with the Department of Sport and Recreation; I am not familiar with exactly what has happened there, but suspect it is subject to the same sorts of constraints. As I said, for the arts organisations there will be a four per cent increase from next year. In relation to ongoing indexation past that time, that is obviously an issue for discussion in next year's budget. I would like to be able to say we will

**Extract from *Hansard***  
[ASSEMBLY — Tuesday, 20 August 2013]  
p100b-105a

Chairman; Mrs Michelle Roberts; Mr John Day; Mr Sean L'Estrange; Ms Simone McGurk; Ms Eleni Evangel;  
Mr Paul Miles

---

provide it, but obviously we would need a whole-of-government decision to do that, and it would have to be weighed up with all the other funding pressures on government.

**Ms S.F. McGURK:** It has certainly been raised by a number of organisations within my electorate. Although they have made mention of the four per cent referred to by the minister, it creates no certainty, so it is very difficult to keep people employed in the organisations and to plan programs, for instance. All the things one would expect of successful arts organisations are put at risk because of that sort of funding model, so it sets them up to fail, or at least creates a very high level of uncertainty in the organisation, which I am sure the minister is aware of.

**Mr J.H.D. DAY:** I agree it does not provide the level of certainty we would like to provide, but we are subject to the overall financial pressures on government. We managed, within the arts budget, to provide indexation for the current calendar year by reallocating some funds—that is my recollection—so there has been indexation provided up to this point. There was a 2.5 per cent increase provided for 2013, and then it will be an additional 1.5 per cent in 2014, making four per cent, compared with the 2012 allocation. I just want to clarify what is happening next year; it is four per cent compared with 2012, and 1.5 per cent more than it is this year, given that it went up 2.5 per cent in 2013.

**The CHAIRMAN:** Member for Perth.

**Ms E. EVANGEL:** My question was actually asked by the member for Fremantle, thank you.

**Mr P.T. MILES:** I refer to the second dot point at the bottom of page 463, under the heading “Significant Issues Impacting the Agency”. How are the maintenance needs of the department being delivered?

**Mr J.H.D. DAY:** Maintenance issues in the arts portfolio are significant, given the number of heritage buildings that are used for arts activities. In fact, there are 40 assets and buildings, of which 33 are heritage listed. We got a significant increase in allocation in last year’s budget, and that has been continued on; it was \$20 million over the four-year period, commencing last year. In 2012–13 the projects that were delivered included maintenance and upgrades to the Art Gallery lift; the State Library roof; and the chillers at the Perth Concert Hall, for its air-conditioning system. For next year, the priority projects will include the upgrading of lifts, chillers, air-conditioning and lighting at a range of venues in the Perth Cultural Centre, the WA Museum in Kalgoorlie and the Shipwreck Galleries in Fremantle.

**The CHAIRMAN:** That concluded consideration of division 38.

**The appropriation was recommended.**

*Committee adjourned at 10.00 pm*

---

**Extract from *Hansard***

[ASSEMBLY — Tuesday, 20 August 2013]

p100b-105a

Chairman; Mrs Michelle Roberts; Mr John Day; Mr Sean L'Estrange; Ms Simone McGurk; Ms Eleni Evangel;  
Mr Paul Miles

---