

Mr David Templeman; Mr Tony Simpson; Ms Lisa Baker; Ms Margaret Quirk; Mrs Glenys Godfrey; Ms Eleni Evangel; Mr Peter Abetz; Chairman

Division 57: Local Government and Communities (Except Service 3: Promotion and Support of Multiculturalism in WA), \$123 397 000 —

Ms J.M. Freeman, Chairman.

Mr A.J. Simpson, Minister for Local Government.

Ms J. Mathews, Director General.

Ms E. Delany, Acting Executive Director, Corporate Services.

Ms M. Osman, Acting Executive Director, Community Building and Services.

Mr B. Jolly, Acting Executive Director, Sector Regulation and Support.

Mr C. Johnson, Director, Financial Services.

Mr S. Hollingworth, Executive Director, Metropolitan Reform.

Mr R.W. Peters, Director, Community Funding.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 30 May 2014. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: Member for Mandurah.

Mr D.A. TEMPLEMAN: My question relates to metropolitan local government reform under "Spending Changes" on page 646 and also the dot point on page 647, which refers to the government's reform program. Why has the minister not released any of the reports that underpin the economic benefits of the local government reform process that he and his government are railroading through the sector?

Mr A.J. SIMPSON: I thank the member for the question. The Western Australian Local Government Association released a report in 2006 on the sustainability of local government titled "In Your Hands: Shaping the future of Local Government in Western Australia". We commissioned the Robson report, which went into a lot of detail about the local government sector, where it is today, the benefits of it moving forward and how it can become a better fit for local government in the future. The most important report will be the one produced by the Local Government Advisory Board, which is currently handling the review of the 36 proposals.

Its job is to look at the financial modelling, the community, the asset base and the rate base of those proposals to work out the best model for local government going forward. The analysis is being done now and it will be released in July.

[7.30 pm]

Mr D.A. TEMPLEMAN: What is the full cost of the metropolitan reform?

Mr A.J. SIMPSON: This is an interesting question. The Western Australian Local Government Association's report shows it costing \$60 million to \$100 million. Until the Local Government Advisory Board releases its report and we find out the total number of local governments and the final boundaries, I will not know how much the reform will cost. This year's budget has \$5 million for local governments to work with their reform toolkits and possibly employ consultants. That may give us an idea of the cost going forward.

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Queensland went from 121 to 34 local governments. Invoices were paid after the fact. It cost \$1.7 million for each new identity borne out of that reform process. Recently, I have seen a number of reports on costings as local governments have done their own versions of costings. This budget provides the sector with a \$60 million package with \$15 million in grants and \$45 million in loans. I met with the sector and explained that process. We still have a way to go on that. I would like to wait until July when we will get the final announcement on the number of local governments. Local governments are working with the local implementation committees and the local government reform toolkit to come up with some costs. I am happy to sit down with local governments and talk to them about that process.

Mr D.A. TEMPLEMAN: Last Friday evening on 7.30 the minister stated that in the first three years of the metropolitan reform program, once established, there would be \$75 million in savings. How did the minister arrive at that figure? He cannot give us a figure for the actual cost, but he can give us a cost for savings. In what form are those savings? Are they, for example, through the reduction of salaries; and, if that is the case, how many job losses does the minister expect in the sector under his reform process?

Mr A.J. SIMPSON: The figure of \$75 million is an estimate; that figure was arrived at in a very similar way to the way in which the cost of the reform was determined to be somewhere between \$60 million and \$100 million. The costings are in a very similar vein.

Mr D.A. TEMPLEMAN: What are those figures based on?

Mr A.J. SIMPSON: Those figures are based on department reports and the Robson report process. The savings figure was arrived at through general modelling of bringing together two local governments.

Mr D.A. TEMPLEMAN: It is based on just “general modelling”.

Mr A.J. SIMPSON: The reform process is quite simple: when two local governments are put together, there are savings; when five or seven local governments are put together, there are a lot more savings. There are also savings in other local government areas such as asset management and equipment.

Mr D.A. TEMPLEMAN: The department must have done some analysis to arrive at this figure.

Mr A.J. SIMPSON: Yes, we have. In the same way that we have done some analysis on the cost and estimated it to be between \$60 million and \$100 million, we have done some analysis on the savings and determined them to be about \$75 million.

Mr D.A. TEMPLEMAN: How many people in the sector will lose their jobs?

Mr A.J. SIMPSON: With all types of reforms jobs are moved around.

Mr D.A. TEMPLEMAN: No, I am asking about what jobs will be lost, not moved around.

Mr A.J. SIMPSON: I will give the member an insight into why I said “moved around”. In the past five years 15 000 houses have been built in the City of Armadale and nearly 6 000 houses built in the Shire of Serpentine–Jarrahdale. Depending on what happens in the reform process—half or all of Serpentine–Jarrahdale could go; I do not know what the final outcome will be—the City of Armadale will need 50 to 100 more staff over the next five years because of the growth in the region. There may be losses in city local governments as they merge, but there will be job opportunities in the outer metropolitan growth councils. There will be job losses; local governments will have two years to work through that workforce. Local governments are doing work with local implementation committees and the online toolkit to look at their workforce. The main thing is to make some comparisons among local governments and ensure that we have an even playing field. Each local government has quite a diverse number of employees; it does not go on their size or value. One local government may have more employees in one department than in another. The idea is to get an even playing field and create reform through that process as well.

Mr D.A. TEMPLEMAN: The minister cannot give us a figure of what it will cost. The minister has given us a figure for what the savings will be. Has the minister sought advice from the Department of Treasury regarding the cost of implementing the reform program; and, if so, what did it say the costs would be?

Mr A.J. SIMPSON: The department has done some work internally. Modelling has been done on that type of costing, but neither the costing and the saving figures are confirmed. In reality, for the reform process I need harder figures. In response to the member’s question on how we came up with the savings figure, we used the same sort of modelling that we used to figure out the cost as we did to figure out the savings.

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Mr D.A. TEMPLEMAN: The government made submissions to the Local Government Advisory Board. If the government's submissions are accepted by the board and that proposal becomes the new map for the metropolitan area—the government must have done some analysis on its own submissions—what is the cost of that proposal? The government submitted 15 proposals using boundary changes. What is the cost of the government's proposal?

Mr A.J. SIMPSON: How to submit a proposal to the Local Government Advisory Board is quite clearly defined, so I have done what I have to do in my submission. It is part of the board's job to work through the financial modelling with Treasury. When the board releases the report, it will have done its own modelling on communities and financial. It will provide a rating on the financial modelling behind the proposal, which determines whether it will give the go-ahead to the new local government as —

Mr D.A. TEMPLEMAN: That is unbelievable. The government made 15 submissions and has done no costings? Is the minister telling me that he did not submit any costings alongside the personal proposals that he lodged with the Local Government Advisory Board? Is the minister saying that no economic analysis of his proposal was done?

Mr A.J. SIMPSON: An economic analysis was done.

Mr D.A. TEMPLEMAN: How much do the government's proposals cost? If the Local Government Advisory Board comes out in July this year and says that it agrees with the minister and it recommends 15 local government authorities with boundaries that match those submitted by the minister, the government must have some idea of how much those proposals would cost.

Mr A.J. SIMPSON: We have done some modelling around that, but I would rather the advisory board do the work that it is paid to do to come up with that modelling.

Ms L.L. BAKER: I am wondering about the efficiencies on which I assume all this is predicated; the government must think that the current local government structure is inefficient. What is the relationship between the number of staff and efficiencies?

Mr A.J. SIMPSON: Under the act a council is elected by its community. A mayor or president is elected, who employs a CEO and the CEO employs every other person. As members of Parliament we deal with local government planning issues. The state government has one state planning act, but 138 local governments interpret it slightly differently. As members of Parliament, we have been involved in arguments with councils over things such as the pool, the fence, the patio or the gate not being in the right place and we have wondered how we have ended up in that position. We wonder how people can interpret the act so differently from each other. Through this reform process we want to get an equal planning process across the whole sector and reduce the number of metropolitan councils from 30 to 15.

[7.40 pm]

When we were going through the toolkit and working out the workforce, we were basing things on population, capital and growth. A mechanism in the toolkit looks at those three areas. A council in the outer metropolitan area with growth, building 15 000 houses in the next five years, requires a different type of planning process from the infill done by an inner city council. The type of planning and staff needed are a bit different.

Ms L.L. BAKER: What is the degree of tolerance?

Mr A.J. SIMPSON: It is up to each local government CEO to determine their tolerances. Through this process, we are trying to use the toolkit, which is one of the lessons we learnt from the Queensland model when putting the toolkit together —

Ms L.L. BAKER: Has that not failed?

Mr A.J. SIMPSON: No, Queensland is going well; there has been only one de-amalgamation and that was because the council was too big, and it is one of the things we have to consciously learn from the Queensland model—that is, not to make councils too big so that the community is lost. I have always talked about a population of 100 000, maybe getting to 180 000, but I think 250 000 is probably too big a population; the community gets a bit lost along the way, although it will grow in the future. In the meantime, it is more important to get the economies of scale right in order to deliver services. With the process of the online toolkit, and working through the local implementation committees, we will see that each local government has the right workforce to do the work it needs to do. We also need some transparency to make sure they all are governing in the same way. The other thing we have is an online planning system that gives a lot of transparency. The person

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putting their application in can go online, look it up and see where it is at in terms of planning, health, water or whether it has been put off to heritage. Within the 15 or 16 new local governments, the same planning processes will be in place and they will all be on the same page.

Another classic issue I have is that we have 121 regulations for crossovers for 138 local governments. I asked whether it is possible to go down to a dozen. This is something we have to change through the reform process to make sure we get an even approach to planning and crossovers. Delegation is the other area we need to work on. Just to answer the member's question about workforce, the toolkit will help to identify that we have good local governments that have set up good structures, with a good workforce plan in which it is clear who is in charge of what and how many people are needed for the growth of the council. We are trying to drive that process through the workforce.

Ms L.L. BAKER: What is the minister's opinion of how Brian Dollery got it so wrong when he criticised the Robson report for not having evidence of amalgamations creating scales of economy?

Mr A.J. SIMPSON: Brian's report is interesting in that he quotes himself. The other thing he clearly identified—we can all agree with this, myself included—is that a smaller council can deliver services better, which is very true, because they are very much hands-on. However, he did not touch on whether they have the capacity to deliver more services. If I use the Shire of Serpentine–Jarrahdale in my electorate as an example, it has a population of 22 000 to 24 000 people and is located on the edge of the metropolitan area, and there have been 6 000 rooftops built in the last five years. It has a rate base of \$15 million, with \$16 million to operate the business, and it still gets a very high financial assistance grant to help turn the lights on. Something that Brian Dollery did not identify in his report is that at the moment councils such as Serpentine–Jarrahdale have very limited services for seniors, youth or families, because they just do not have the capacity to deliver them; there are just not enough ratepayers to do it. Serpentine–Jarrahdale actually pays the City of Armadale to use the Armadale home help services for the seniors in its community. Brian's report correctly mentions the delivery-of-service model and capacity, and he is correct, but Serpentine–Jarrahdale is a growing council on the outer metropolitan area with 44 per cent growth. It has double-figure growth and it says it is one of the fastest growing councils in Australia, but it just does not have the money to deliver the resources it needs to, because the number of rooftops being built—I have been using the analogy of a terracotta carpet rolling across the paddocks—are sucking the council of all its reserves from its rate base through it trying to deliver services. Brian Dollery was right on some things, but he needed to look at the financial capacity to deliver the services, and he did not actually go into that much at all. He mainly talked about service delivery and how that can be done, and the economies of scale of a council getting too big, which is the part of his report I question him on. The fact is that I agree that some councils in Queensland did get too big.

Ms L.L. BAKER: Part of what the minister said, which was expansive, was about smaller local councils. Does that not give weight to the argument that these amalgamations should really be in regional Western Australia, not in the metropolitan area? Yet, the minister has pulled it out of that.

Mr A.J. SIMPSON: Reform in the metropolitan area is a bit different from reform in the regions. I will just explain something: every local government in the metropolitan area has some sort of growth, so when two councils are put together, they are good and growing, and I can speculate that half a million people coming to WA in the next 12 years will go to Perth. In a lot of places in the regions, there is actually no growth at all.

Ms L.L. BAKER: In some places.

Mr A.J. SIMPSON: When we start looking at reform in country areas, we have to take a slightly different approach, because if we put two local governments together that are not going well, we have not achieved a great deal because there is still zero growth and we are struggling to maintain things. Service delivery from local governments in regional areas is different too because they provide accommodation for doctors and police, and they help fund doctors. Their service delivery model is totally different. In the metropolitan area they do not have to pay for doctors or any of those types of things. The member is right that we have to work on the regional areas. The Western Australian Local Government Association is currently putting together a paper about reform in country areas. We need to address that.

Mr D.A. TEMPLEMAN: Who is on the hit list?

Mr A.J. SIMPSON: Nowhere is on the hit list, member for Mandurah. I think we need to do some work on the Peel region next and then go down to the south west!

Mr D.A. TEMPLEMAN: Is that on hit list? Is the Peel on the hit list?

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Mr A.J. SIMPSON: Because of the fast rate of growth in the Peel region and the issues there, we have to do some work to ensure we get some capacity for local governments to deal with that growth.

Mr D.A. TEMPLEMAN: Greater Bunbury? Is that on the hit list?

Mr A.J. SIMPSON: We have to do some work in the regional areas. There are 44 local governments in the wheatbelt area and we have to do some work around there.

Mr D.A. TEMPLEMAN: Shire of Dardanup?

Mr A.J. SIMPSON: I think my hands are pretty full at the moment, member for Mandurah, just trying to work through the metropolitan reform, and with the member's support I can get through this process before I move further down the coast!

Mr D.A. TEMPLEMAN: Further question —

The CHAIRMAN: Yes, but not for the member for Mandurah. The member for Maylands has a question and then the member for Girrawheen after that.

Ms L.L. BAKER: Right —

Mr A.J. SIMPSON: He is the shadow minister! He ought to go again.

Mr D.A. TEMPLEMAN: Can we change the Chair?

The CHAIRMAN: We can in 15 minutes. The member for Mandurah's last question went to 17 minutes.

Ms L.L. BAKER: Both Fremantle and Cockburn say they need about \$5 million each for amalgamation and that if the state does not stump up with additional funding, rates will go up 10 to 15 per cent. Does the minister think it is a particularly good strategic move to force councils to put ratepayers under that pressure?

Mr A.J. SIMPSON: It is interesting that the statement that rates will go up by 10 per cent has been made at this early stage of the reform process, considering that I do not know where the boundary will lie in Cockburn or Fremantle. I note the proposal talks about breaking up Cockburn into three, and the member for Cockburn has tabled a number of petitions over that. I think the advisory board will do some work around that, but I do not know what the outcome will be. At the moment I am still looking at the final layout of those maps and then I will work on the issue. The figure of \$5 million is an estimate and it may be right, but I would like to see a bit more work done on the toolkits to make sure that the modelling is right and some better hard costing is done on some of those figures, because we can all make estimates.

The thing I hear in more and more conversations I have is that all the street signs will have to be changed. There are still signs in Joondalup that say "City of Wanneroo", because there is no need to change every bit of infrastructure in the first year. It is just a matter of trying to work through that process. I think the member is jumping the gun a bit by saying that rates will go up 10 per cent right now.

Ms L.L. BAKER: But the minister did say that he thought \$5 million was the ballpark figure, so if the government does not put the money in, rates will go up.

Mr A.J. SIMPSON: I have seen in current reports and other things that it will get close to that figure. I do not know the figure; that is the interesting part about this issue. What does the member think the reform process will cost for the City of Stirling if it loses 20 000 people?

Ms L.L. BAKER: What is the cost of reform in Stirling?

Mr D.A. TEMPLEMAN: It is the minister's reform process.

Mr A.J. SIMPSON: Talking about the cost of reform, if only 20 000 ratepayers are being lost from the current local government, the cost will be quite minimal. Similarly with Melville, depending on how expansive and how much further out it gets, it does not have to change its name and infrastructure stays the same. It is not taking over any other councils; it is just expanding its boundaries and the cost would be very minimal. In East Fremantle there will be some infrastructure costs and ranking coming together and that is when the cost will start building. In the western suburbs, obviously, amalgamating seven councils into three would mean quite a considerable cost for the infrastructure that needs to be done. There are many different costs across reform, which we need to work on to get to that problem.

[7.50 pm]

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Mr D.A. TEMPLEMAN: It is about cost, and it is in the budget on page 646. The government provided only \$15 million in the budget for the reform process and a further \$45 million worth of loans. Why is the minister making local government pay for its demise? Why is the \$60 million not a government contribution to the government's reform process that the government has foisted upon local government in the Perth metropolitan area? Why do we have the loans?

Mr A.J. SIMPSON: If we use the analogy of two local governments that come together, there may be an opportunity for them to access some low-interest loans if they have planned to build themselves a new recreation centre or a swimming pool. They will have the opportunity to continue with their program and not use their cash reserves by borrowing money at a very low two per cent interest rate to build those assets. If some costs are involved in the reform process that may take more than one or two years to sort out, they have the opportunity to borrow the money over a five-year period at a low interest rate, which can actually help to manage their cash flow because they are not spending all their cash reserves. With regard to the \$15 million in cash over the three years, I was quite clear with the sector when I met with them that this cycle will be around this time next year, and hopefully they will have done a fair bit of work by then to come up with some hard costs. If they can prove to me as minister that they require more money, I am happy to go into bat for more, but at the end of the day I need to have those costs firmly tightened up and locked away.

Ms M.M. QUIRK: I refer to the heading of "Spending Changes" on page 646 and metropolitan and local government reform. What will happen to freehold land when the City of Canning is abolished? How will it be allocated?

Mr A.J. SIMPSON: Is the member talking about land that is currently owned by the City of Canning?

Ms M.M. QUIRK: Yes.

Mr A.J. SIMPSON: All assets in local government that are in the name of the city belong to the ratepayer, or the City of Canning in this instance. As it transitions into a new identity, that new identity takes over the management of that asset. All local government assets are on a budget paper or a forward planning process, and that was the business model adopted in 1995 when it was changed from the shire clerk to the chief executive officer model. We went down the road of having a business model, adopting budgets and doing forward planning. All the assets—the halls, the pools and the land—are owned by the ratepayer and that transfers to the new identity that is borne out of the reform process, which keeps managing it on behalf of the ratepayer.

Ms M.M. QUIRK: We agree that it is effectively the ratepayer's land and it has essentially come out of the existing ratepayer's rates, but the problem with allocating it in the case of the City of Canning is that the land might be allocated to the City of Melville, which will effectively disadvantage the ratepayers in Gosnells. It is inequitable because it will effectively go to —

Mr A.J. SIMPSON: It is an interesting scenario. At the moment we have asked the local governments to form local implementation committees, and they will work through those types of issues. If I use the analogy of a sporting oval or a recreation centre, the important thing is that people who use that facility and live within a close distance to it are paying rates to the council that manages it. That is one of the clear areas in the reform process that must be identified. There will always be the grey areas that the member touched on whereby an asset is quite clearly a part of one local government before reform, but after reform it is close to the other one, or it ends up right on the boundary. That can be worked through to find out how to manage that land. The interesting part is that the asset belongs to the ratepayer, so the people living around it pay for it with their rates. If we just change the name at the top of the paperwork, that should be fine, but there will be some instances in which a line is drawn on a map and the asset's location is close to a boundary and poses a problem. However, the local implementation committees will work through how they address those issues, and the same goes for asset-based issues.

Ms M.M. QUIRK: With regard to metropolitan local government reform, we have talked about councils that have been modified or abolished, but the other costs are compliance with the toolkit. For councils not undergoing a material change in their composition, has anything been done in terms of the compliance costs associated with current councils? I have had some complaints that the compliance costs are quite high.

Mr A.J. SIMPSON: They do not have to comply with it because it is just a guideline, which is one of my frustrations as minister. The local implementation committees have no power. I cannot make them come to the table and talk; they can choose to walk away from that table. The idea of the LICs is for the local governments involved to sit down, pull out their books and look at, for example, where the rubbish contract is at. One local government can take its report to a meeting with the other and ask how it will work through the two rubbish

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contracts and at what time they expire so they can be put into one contract. One local government might have put aside money to build a new recreation centre in 2015–16. That money is then allocated and reserved for that purpose regardless of what happens in the reform process. The toolkit is just a guideline and it does not have to be complied with, which is one of the areas that I as a minister find frustrating. The reality is that if the local governments choose, they can walk away from the process until the government orders them to sign, and then they have to do it because they are bound by it and that is the rule. I am trying to do everything I can to prepare them for the reform that will happen. Again, I do not know the total outcome of the reforms. Someone said, “Well why are we talking to Chris here when we should be talking to Jennifer?” It is because we do not know where it will go, and there are a couple of issues such as that with people asking what they should do. The interesting part of the LICs process is that local government is opening up its books, looking at its rate and asset base and doing it all, and hopefully by the time the actual order is signed it has put a fair bit of work on the table and knows where it sits and has identified any problems.

Mrs G.J. GODFREY: I refer to the table on page 653 and the line item “Seniors Cost of Living Rebates”. The cost-of-living rebate was first introduced by this government in 2008. Can the minister tell me what the payment is for singles and couples in 2014–15?

Mr A.J. SIMPSON: I thank the member for the question. The cost-of-living rebate was introduced by this government in 2008, something of which I am very proud. This is the only state in Australia that gives a cash payment back to Western Australian seniors. We have the most generous Seniors Card in Australia. To get that Seniors Card, all I need to see is a person’s birth certificate that shows they are over the age of 60, and the person has to sign a statement saying they do less than 25 hours of work a week, which is annualised over the year. That entitles a person to a WA Seniors Card and a cost-of-living rebate along with discounted public transport fares, shire rates, public events, entry into the Perth Zoo and museum and so forth, and access to a raft of other discounts. One of the costs to the department since I have been the minister is to print a discount directory, but it has grown so big that we cannot print it—it has got to the size of a phone book—so we are now moving to an online version—

Ms L.L. BAKER: That is a good idea.

Mr A.J. SIMPSON: Yes, it is a great idea. We will not be posting out the directory, which also costs money. The rate this year will be \$163.90 for singles and \$245.90 for couples, which has gone up from \$150 every year since it started six years ago. It is a great program to acknowledge because the cost of living is a burden on our seniors. As we know, seniors have a limited income and limited ways of raising an income, so it is good support for them. I thank the member for the question.

Ms M.M. QUIRK: I refer to page 102 of budget paper No 3 and, in particular, the line item “Payments for Specific Purposes (PSPs)”, which relates to the federal budget decision on payments for specific purposes such as health education, roads and concessions. What impact will the loss of \$24.5 million in the federal budget have on delivering those concessions?

Mr A.J. SIMPSON: This has been an interesting answer for me to try to work out since Monday’s paper came out. I spoke to the member for Belmont about the WA Seniors Card, and a couple of other cards are also available through the federal government to do with the commonwealth health card and the commonwealth seniors card. The interesting part is that the state government funds the WA Seniors Card, so at the moment there are no changes to the amount of money the government will provide, which will kick in from 1 July.

[8.00 pm]

I suggest that people who hold the Commonwealth Seniors Health Card will apply for a state Seniors Card because those discounts will be slowly withdrawn. I do not have the total figure of what they will be. I am still working through our process with finance to nail this down across the raft of discounts that are available with the Seniors Card. I am confident that the cost-of-living and public transport rebates will continue to be funded by the state government, so there will be no impact on those areas. The majority of the impact from the federal budget cuts will be felt by holders of the Commonwealth Seniors Health Card, not the WA Seniors Card. I have yet to get the final detail from finance to make sure that all the benefits that are provided to holders of the WA Seniors Card will not be affected. That has not been confirmed yet, as we are still going through all the discounts that we give. I need to confirm that we are not using any of that money on any of those discounts, because there are crossovers as one card will provide one discount and another card will provide another discount.

Ms M.M. QUIRK: One area I can contemplate that might be problematic is reciprocal recognition of the WA Seniors Card for public transport in other states.

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Mr A.J. SIMPSON: I think that will be one of the areas that will be affected. I am still checking that, because I understand that some agreements are with the states, and some are with the federal government. Holders of the Commonwealth Seniors Health Card receive a number of discounts and I am still trying to work out what those discounts are. I have asked the department to give me a list that itemises what seniors get with the Commonwealth Seniors Health Card and with the WA Seniors Card. I thought it would have been a lot simpler than it has been. We have a fair idea and I am confident we can make sure that WA seniors are still well supported with the WA Seniors Card.

Mr D.A. TEMPLEMAN: I refer to “Metropolitan Local Government Reform” on page 646 of budget paper No 2 and the minister’s earlier comment about local government reform in regional WA. Can the minister confirm whether he has any plan to change local governments in country WA; and, if so, which ones are they and do they include the greater Bunbury councils of Capel, Bunbury, Dardanup and Harvey? Are those local governments in the minister’s sights, given he has already highlighted tonight that the Peel is one of his targets?

Mr A.J. SIMPSON: The Peel is not one of my targets. My hands are pretty much full at the moment with the metropolitan reform process. I have no time frame around country reform in general outside the metropolitan area. I expect a proposal to come in very soon from the Shire of Narrogin and the Town of Narrogin. They are working through that proposal at the moment. I have been to Bunbury on a couple of occasions and will be down there in a couple of weeks as well. Bunbury is in an awkward situation as the second largest city in Western Australia —

Mr D.A. TEMPLEMAN: It is actually the third largest. Mandurah’s population is greater than Bunbury’s.

Mr A.J. SIMPSON: There we go. I have heard that Busselton will be bigger than Bunbury very soon too. Bunbury is similar to Mandurah in that it provides a performing arts centre, a high school, a pool and all these services that people from local governments around the city come in and use, and then they go back out and pay rates somewhere else. We have to address this area in the reform process to make sure we can deliver a rate base where the services are provided. I can only restate that I have no plans for any reforms in the country at all. I have no time frames. I would like to get the metropolitan reform process bedded down. It has been a massive learning curve working on the metropolitan reform process. I am trying to work out, based on this model, how we get to the next level. I will learn my lessons from this process. We need to do some work in those regional areas, but I think we can work with the Western Australian Local Government Association and the sector to come up with a model. We need to get some dialogue around that, but how we go about that reform is a long way off. I cannot state that often enough.

Mr D.A. TEMPLEMAN: Let us talk about WALGA and the minister’s meeting with the mayors of the affected metropolitan councils earlier this week and their request of the minister that he come back to them in three weeks with another proposal on costs. They have said to the minister that they want a commitment to \$60 million, not including loans, and that the minister needs to go back to Treasury and the Premier. What is the minister going to tell them in three weeks’ time?

Mr A.J. SIMPSON: We are still working through that. I have received a letter from WALGA asking for that, and I am working on a reply. I did say to WALGA that, where we are, without having final boundaries, maps and costings, it is hard to put that \$60 million on the table and then say, “You can’t have it because I do not know the full cost.” I have given those councils a commitment, as their minister, that I will have another one of those sessions between now and 1 July next year; and, if they can prove the costings to me, that will give me the opportunity to go into bat for them to get more money, if that needs to be. I called that meeting a week earlier to communicate that package, because I realised it would be a little contested. I made sure that I was on the front foot and invited them to the meeting on Monday last week to discuss the budget; I did not want it to be delivered by Chinese whispers. I fronted up and invited the councils to that meeting. They have given me that ultimatum and I am working through that with my department.

Mr D.A. TEMPLEMAN: The Premier has said, “They ain’t getting any more money and what’s in the budget is what they get.” The answer has been given to them, not by the minister but by the Premier. That is true, is it not? Within an hour of the minister wavering a bit, saying he would be prepared to look at it, the Premier slapped him down and said, “No, you won’t, because what’s on the table and what’s in the budget is what’s going to be delivered.” The minister has been overridden by his Premier and there is no wriggle room for the minister.

Mr A.J. SIMPSON: I did not make any commitment to get money in the next three weeks. I said on Monday that councils could write to me and I would have a look at that. I said, in terms of the total package on the table, that when they got the final report and had done the costings, I would be happy to look at that.

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Mr D.A. TEMPLEMAN: What is the minister's response to the mayors who have threatened to pull out of the reform process?

Mr A.J. SIMPSON: I would be disappointed if they pulled out or walked away from this, mainly because we have come so far and we are now discussing the nuts and bolts and the money to make this happen. If they were to walk away before we know the final boundaries, it would be a bit of a disappointment since we have come this far. I am a bit confused when they say that they are going to withdraw or walk away from the process. I do not quite understand what that means, because to say they are going to withdraw from the process means that they are not going to do anything.

Mr D.A. TEMPLEMAN: The minister is going to call their bluff, is he not?

Mr A.J. SIMPSON: In July a report will come to me, and, once the Governor's order is signed, what happens then?

Mr D.A. TEMPLEMAN: I have a further question about the costings. I refer to the second dot point on page 647 and to the government's commitment to the two-year guarantee of employment for staff. Will staff still have guaranteed employment for two years after 15 July as stated and will the state government be underwriting this? Is this part of the budgeted moneys in this financial year?

Mr A.J. SIMPSON: Under the act, all employees of local government are guaranteed employment for two years after the new identity is born. That is stated in the legislation, so that is guaranteed. Through their toolkits, local governments are working with their workforces—hopefully now and into the future—to work out how much they will need. In those two years, they will reform and change their workforces as the new identity comes together. For example, in the case of two local governments, they will work out which one will be the director of planning, engineering and finance and they will work with their managers on the size of the workforce they need. Towards the end of that process there will be some redundancies, and some employees will take that, which is part of those costs. This is one of the unknown areas when we are asked how much it will cost. Until we do a fair bit of modelling around these workforces and know the total outcome of the advisory board—how many local governments there will be and the size they will be—this is one of the areas, when we pull figures out, which could be between \$60 million and \$100 million. That is why there are differences in the figures. We are not sure about those figures; it could be this or it could be that. That is the interesting part about the process. Guaranteed employment and the redundancy process is a part of the cost.

[8.10 pm]

Ms L.L. BAKER: I was quite taken away by the conversation between the minister and the member for Mandurah.

The CHAIRMAN: Is this a further question?

Ms L.L. BAKER: It is, yes. When I asked the minister about the country shires issue, which seems like hours ago now, he said that the department is doing some work on the possibility of future amalgamations in regional WA. Can the minister tell me whether that work will be available? Will we get to see that? Will it be brought to Parliament, and when?

Mr A.J. SIMPSON: If I have learnt anything through this reform process, it is that the next one will be a lot different. We need to work differently in our approach. One of the sheer frustrations of being the Minister for Local Government is when one digs down into the Systemic Sustainability Study. The Western Australian Local Government Association did a lot of work. Eighty-three local governments are not sustainable in WA. That study quite clearly shows that we have to change. We cannot keep doing what we are doing, but no-one does anything. They turn around and say to the minister of the day, "You may have to do this because we're not going to survive." Every time there is an obstacle, they always put the onus back on the minister to make the bad decision.

I will give a classic example. I came into the job in March. Throughout April and May I brought in all the groups from various zones and we had a frank discussion for an hour and a half. I told them my life story; they told me theirs. I outlined the reform process and invited them to a meeting in July. I revealed my maps, which related to the proposal in response to the Robson report, and outlined what I wanted to do. I opened up the process until October. Then I put submissions in to the advisory group. I said, "If you don't put one in, I will put one in for you." I made it very clear. Straightaway, they all started fighting over boundaries: "We are losing this; we are gaining that; we don't want to go with them." The interesting part is they knew it was going to happen but no-one wanted to work together. I can use a classic example —

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Mr D.A. TEMPLEMAN: They also knew that they had the Dadour amendment to fall back on, which the minister has erased from the whole proposal.

Mr A.J. SIMPSON: I have not erased it. It is still in the act.

Mr D.A. TEMPLEMAN: The minister has erased it by using boundary adjustments.

Mr A.J. SIMPSON: It is in the act. I have not changed the act. I am using the tools available to me in the act.

Mr D.A. TEMPLEMAN: As the minister knows, the member for South Perth said the minister led them up the garden path and that the local governments have been conned. That was what one of the minister's own colleagues said.

Mr A.J. SIMPSON: Why did local governments not put their own proposals in front of me? They could have done that quite simply. As soon as they saw those maps, they said, "Let's get together and put our proposal in now and beat the minister to the punch, because once the submission is in to the advisory board it can't be changed." I can only put one in behind it.

Mr D.A. TEMPLEMAN: The minister changed the goalposts, as the member for South Perth said.

Mr A.J. SIMPSON: I have not changed the goalposts.

Mr D.A. TEMPLEMAN: The minister led them up the garden path. He changed the goalposts; suddenly there was a different proposal.

The CHAIRMAN: Members, I think the minister really needs to answer the member for Maylands' question. Let us get back to that.

Ms L.L. BAKER: When will the report be available?

Mr A.J. SIMPSON: That is what we are working on. WALGA is now doing some work around country reform. It is putting together a panel of eminent people from country areas to work on a model of reform. Like all of WALGA's reports, it will be publicly available.

Ms L.L. BAKER: I thought the minister said his department was doing some work.

Mr A.J. SIMPSON: No; WALGA is doing it. This is another one of those classic examples. WALGA will do some great work.

Ms L.L. BAKER: So, when it will be released is up to WALGA?

Mr A.J. SIMPSON: WALGA will come back to me with a model and say, "Here we are. We've come up with a plan, minister. That is what you'll have to do. You will identify that there are so many unsustainable ones." I may say, "Maybe you should do some work and put in some proposals", but I know what will happen—WALGA will sit back and say, "I will leave it to the government of the day to make the decision."

Ms E. EVANGEL: I refer to the item "Grandcarers Respite Scheme Wanslea" on page 646. Last year, there was concern that not all grandparents would have access to the government's new grandcarers' support scheme. Can the minister advise how the program is going and provide more information on funding for respite services?

Mr A.J. SIMPSON: This came up in estimates last year. I made it quite clear then that all grandparents who had applied for money would get it. The member for Girrawheen will remember that. It was great to launch this in January this year. Again, it is a first for Western Australia. We are the only state in Australia to recognise the grandcarers in our community who have become the prime carers of their grandchildren, for whatever reason. Grandcarers receive \$400 for the first grandchild and \$250 for every other grandchild in their care. It is a small amount of money but it goes a long way for grandparents who are burdened with the cost of raising their grandchildren. We have put together a great program. There are 564 grandcarers supporting 967 grandchildren. Payments totalling \$326 000 have gone out. That will happen each year. The program came out in January, which is a very good time of year as it is when children go back to school. The program creates opportunities to buy things such as backpacks. I met a young girl in Kings Park whose grandparents said that she now had the opportunity to pick her own shoes. She usually got the \$10 cheapies. The young girl, who was probably about 12 or 13 years old, was very excited about the fact she could now buy the shoes that she wanted. She did not have to wear the ones that grandma had bought from the cheap shop. It just goes to show that a small bit goes a long way to help grandcarers in our community.

This came out of an election commitment at the last election. When a child is a ward of the state, a foster carer would be appointed to look after that child. Foster carers are paid a considerable amount of money. For whatever

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reason, grandparents have stepped into that sphere to take over the care of their grandchildren. Grandparents may say that they can love them better than a foster carer, so they turn to the government and say that they should get some sort of foster payment because they are saving the state money. This scheme was actually born through that process. Grandparents do a lot of work for the amount of money they are given. We are actually working well with the federal government. It has come to the table and said that this payment will not affect pensions. Now we are working on the payment not being included as part of their income at tax time. It is a great program. Along with Grandparents Day, it goes a long way towards recognising the great things that grandcarers do in our community and I am very excited to be a part of it.

Ms M.M. QUIRK: How many grandcarers are there in Western Australia?

Mr A.J. SIMPSON: I have currently paid out 564 grandcarers to support 967 grandchildren.

Ms M.M. QUIRK: The minister mentioned payments to foster carers. What is the weekly payment to a foster carer?

Mr A.J. SIMPSON: I am not clear on that one. That comes under the Minister for Child Protection, but it is quite considerable. This scheme started after grandparents visited members of Parliament and said that they are raising their grandchildren but there is no support from the government and that if they did not take the child in, the child would end up as a ward of the state. As a former parliamentary secretary to the Minister for Child Protection, my understanding is that when a child is a ward of the state, it comes with conditions. They have to provide a checklist under conditions, rules and laws. The payment is a reasonable amount of money and is paid every fortnight. That is one of the areas we need to work on. I do not know the exact figure.

Ms M.M. QUIRK: Has the Western Australian government made a submission to the Senate inquiry on grandcarers?

Mr A.J. SIMPSON: This program is run through Wanslea Family Services. Our understanding is that Wanslea presented to that committee. One of the big pushers for this scheme was Senator Dean Smith. Dean Smith presented to the inquiry as well, for a lady in Albany, who he brought to me a while back, so I know that he has made a submission.

Ms M.M. QUIRK: What measures are being made to ensure that culturally and linguistically diverse communities and Aboriginal grandcarers are captured by this program?

Mr A.J. SIMPSON: Wanslea takes care of that process. There has been a big uptake of grandcarers by Indigenous people—35 per cent have been Aboriginal. In one case somewhere in the north west, a grandparent is looking after eight or nine children. That is a record for one grandparent. There has been a high uptake from the Indigenous community.

[8.20 pm]

Ms M.M. QUIRK: There is a finite amount of \$125 000 a year in the budget for Wanslea; presumably, that is more than 564 grandchildren?

Mr A.J. SIMPSON: I think it is \$450 000.

Ms M.M. QUIRK: The allocation for the Wanslea respite scheme is \$125 000.

Mr A.J. SIMPSON: The government made an election commitment in 2012 to pay grandparents a certain amount of money. It also said that it would give Wanslea an initial \$100 000—I think \$500 000 over four years—for respite and that money can be accessed so that grandparents could go away for a weekend. The \$125 000 the member for Girrawheen refers to over the four years is part of that \$500 000 available for respite. The amount for grandcarers is \$450 000 in the out years.

Ms M.M. QUIRK: Where is that in the budget papers? I cannot see that.

Mr A.J. SIMPSON: It is on page 653. There is an amount of \$450 000 on the line item “Grandcarers Support Scheme”. It is \$225 000, \$450 000, \$450 000 and \$450 000 in the out years.

Ms M.M. QUIRK: That assumes a finite number. The minister has obviously calculated how many grandcarers there are in Western Australia. I am trying to work out how the minister has calculated how many grandcarers would be entitled to that payment.

Mr A.J. SIMPSON: In our first year, 564 grandcarers came forward. I guess that next year those will be repaid and it will increase by a small amount each year. I think it will be a growing area. An amount of \$450 000 has

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been put in the out years so that there is a figure into the budget. That is being evaluated right now and I think that will settle down after the midyear review because the figures will be firmer. It will be very similar to the cost-of-living rebate, which has gone up by about \$10 million a year. I think this one will work itself out. The department is evaluating the amount for Wanslea and estimating how many more will be coming online each year at the moment.

Ms L.L. BAKER: The second dot point on page 647 under “Significant Issues Impacting the Agency” states in part, “To support the sector through the reform process, the Government is making available up to \$60 million in loans and grants.” What will be the interest charged on those loans?

Mr A.J. SIMPSON: This is part of a reform package of grants of \$15 million over three years that releases \$45 million in low-interest loans in the second year. Those low-interest loans from the Western Australian Treasury Corporation will be fixed at two per cent over the five years of the loan.

Mr P. ABETZ: I refer to community gardens on page 653 under “Details of Controlled Grants and Subsidies”. There is \$100 000 in this year’s budget, running across the forward estimates. That \$100 000 is not a lot of money. Would the minister advise what impact this investment has had, what benefits will flow to the community and how many community gardens have been assisted by this program?

Mr A.J. SIMPSON: I thank the member for the question.

Mr D.A. TEMPLEMAN: Have there been any local government questions from members over there?

Mr A.J. SIMPSON: I have had a couple. We set up this scheme to fulfil an election commitment to acknowledge the great work that community gardens do our in communities. It was a fantastic scheme set up over four years, enabling communities to apply for \$20 000 to establish a new garden or \$10 000 for an existing garden. As members would be aware, community gardens are a great asset in our community. Any vacant block of land that has not been used for anything else can be turned into a community garden. I recently launched a community garden in Joondanna, and it was fantastic to see groups of families intermingling with seniors, drinking cups of tea. Part of my responsibilities as Minister for Seniors and Volunteering is to get seniors out into the community, having cups of tea and having a chat. There was a two-year-old baby running around who knew where all the strawberries were in each of the garden pots. It was great to see. This program is fantastic and it is great to acknowledge these great works in our community.

We are going through the application process and have received a number of applications for the \$100 000 available each year over four years. I think we will have more applications than we can handle, but we are trying to work through that to find ways to fund community gardens. They are a fantastic asset in the community, which makes use of a great community.

I was also amazed that the Joondanna community garden has no vandalism. There is a little gate that people can walk through and I am pleased to see that the community is proud to have a garden, but it always worries me these days that people may go through for whatever reason and vandalise it.

Mr P. ABETZ: Roughly how many gardens have been established or assisted under the program?

Mr A.J. SIMPSON: The first round is out and the applications are being assessed right now. The assessment process has just started and there are quite a few for the amount of money available.

Ms M.M. QUIRK: I refer to the sixth dot point on page 647 and the representations made to the minister by the Hungarian Golden Village and Cultural Centre, which for the last five years has been trying to establish an aged-care facility for eastern European migrants in the City of Swan. I understand that the city has even allocated a parcel of land for them. Given the need to cater for ageing culturally and linguistically diverse communities, can the minister advise what measures the government is taking to assist those special members of our community and why this project has not been supported by the government?

Mr A.J. SIMPSON: What is the lady’s name?

Mr P. ABETZ: Iren Hunyadi.

Mr A.J. SIMPSON: She is a fantastic lady who is very passionate about this matter.

Mr P. ABETZ: She is my constituent.

Mr A.J. SIMPSON: Yes, she is. We have actually had a couple of meetings with her. We have been working through this process for quite a while to get some land. One of the difficult things to consider when building a retirement village, seniors village, over 55s—call it what you will—is that it has to be centrally located, near

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public transport and have access to shops and facilities and so forth. One of the problems when going into the process is that all of the available land is gazetted for whatever reason and it is very expensive, so someone has to have a large chequebook to buy a piece of land and develop it. I have worked with Iren Hunyadi to try to find some land.

Ms M.M. QUIRK: The City of Swan has allocated some land.

Mr A.J. SIMPSON: Is it going to give it to them?

Ms M.M. QUIRK: Yes, that is my understanding.

Mr A.J. SIMPSON: I did not know that. That is something that has happened since I last met with her three months ago. There has been some good progress on that and I am happy to support her. Another problem is that our ageing population is growing very fast and there are not enough facilities for independent living, retirement villages and nursing homes. I am happy to work with her. I have been very supportive of her and have met with her a number of times. I introduced her to the Minister for Housing and we had been to see the former Minister for Housing and I had even been to the Department of Lands with her. I have been very supportive. Now she has got some land I will be happy to progress the matter to the next level and to get a development application.

Mr D.A. TEMPLEMAN: I refer to “Metropolitan Local Government Reform” on page 646 and the comment that this is a long-overdue reform for local government and to comments from government members, including the member for South Perth, who described the process as the minister and the government using trickery and deliberately misleading constituents, and by the minister’s colleague in the upper house Hon Simon O’Brien, who has accused the minister and the government of peddling lies over amalgamations and that any suggestion that they are not being forced is tripe. Liberal MP Hon Nick Goiran has raised issues in the other place about the government’s proposal. There has been criticism from government members and mayors. Does the minister still maintain that this is not a forced amalgamation process when, in fact, he has used boundary changes to avoid triggering the Dadour amendments? If the minister is absolutely committed and, indeed, believes that this reform is required, why will he not allow local communities a democratic say in this by triggering the Dadour provisions? Why is the minister scared of the Dadour provisions?

[8.30 pm]

Mr A.J. SIMPSON: I am not scared of the Dadour provisions at all. A community can hold a poll any time it wishes; it does not have to rely on me to call one. In March last year the Shire of Kalamunda went through quite an extensive program. It spent \$80 000 writing to every ratepayer, sending out ballot papers and putting up signs, posters and balloons encouraging people to vote no. Only 39 per cent of the ratepayers voted no. The shire needed to get 50 per cent plus one. Each member is entitled to their own opinion, but I will repeat what I said earlier. The Local Government Act states that boundary adjustments and amalgamations can be made. I have used the tools that are available to me in that act. The sector has wanted this for a number of years. There have been umpteen reports stressing that something has to change. We cannot keep doing the same thing that we have been doing. Change is necessary to ensure that we have good, sustainable local government now and into the future. To walk away from this process would be a disaster and a failing of me as a minister to not address this issue of local government.

Mr D.A. TEMPLEMAN: Why has the minister been peddling lies, as referred to by Hon Simon O’Brien? Why has the minister been tricky and misleading in this process, as mentioned by the member for South Perth, John McGrath? The minister’s own members have criticised him, the Premier and the government for “leading people up the garden path”, to quote the member for South Perth. How does the minister feel about being called a liar and being tricky, with a member saying that his process has been a peddling of lies? These are not my words; these are the words of the minister’s fellow members.

Mr A.J. SIMPSON: They are entitled to their opinions, in the same way as the member for Mandurah and I are. The issue of concern to the members for South Perth and Victoria Park about the two councils coming together relates to Crown. I would be interested to see what the advisory board does about that. I think they are happy to come together. We have to work through some of those issues. Although the members have made some comments, clearly, a number of proposals have been made, there has been a lot of talk and motions have been moved in both councils for them to come together. The reality is that we know what the eventual outcome will be in some shape or form; now we are having a discussion about the process. As I said, the tools available to me are an amalgamation or a boundary adjustment. A boundary adjustment allows for a smoother transition. One local government will stay in place —

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Mr D.A. TEMPLEMAN: And it avoids the Dadour provisions.

Mr A.J. SIMPSON: It can use the money to spend on the reform process. It keeps the process moving. If we go down the road of amalgamation, there will be a vote. Another 60 days will be wasted before it gets to a vote. It will take another 30 days to have the vote and the outcome will more than likely be the same. The larger the council is, the harder it is to get the poll to come up. In that case, it is a good outcome. There has been a change and motions have been moved in both councils to do it. Now they agree on it, we are in the process of working on it.

Mr D.A. TEMPLEMAN: Let us fast forward to July 2015. The Local Government Advisory Board has made its recommendations to the minister. Under the act, he has the power to simply accept them or not.

Mr A.J. SIMPSON: Or reject them.

Mr D.A. TEMPLEMAN: Hypothetically—I know we are not supposed to use hypotheticals—let us say that the minister’s proposals, under the 15 submissions he made, have been supported by the Local Government Advisory Board, and they will be the new maps. I put the following scenario to the minister relating to a council such as the existing City of Cockburn. The state government has allocated \$10 million to the City of Cockburn for its aquatic and sports complex. The Premier made a big announcement about that. It is now 2015, and Cockburn is no more. Under the minister’s proposal, Cockburn has been split into three. What assurances can the minister give that a significant project such as that will go ahead under a new finalised council under his proposal, which is a mixture of Kwinana, Melville and Fremantle? What guarantee can he give that a project such as that—a Cockburn project that would be inherited by a new entity—would go ahead? Have councils raised with the minister what would happen post-2015 if situations such as this occur?

Mr A.J. SIMPSON: There has been a fair bit of dialogue around the City of Cockburn, and the member for Cockburn raised the interesting point that it is financially sustainable. I think it was fourth out of the 30 metropolitan councils in financial modelling. It is quite sustainable, with money in the bank. I imagine a new identity would be borne out of what is left of Cockburn. Again, we do not know, but let us assume that the one I put forward does get up. If it comes together, some projects are on the table. The \$10 million for that project would still be available.

Mr D.A. TEMPLEMAN: Is it guaranteed that the project would continue?

Mr A.J. SIMPSON: Yes, it would.

Mr D.A. TEMPLEMAN: Can the minister guarantee that?

Mr A.J. SIMPSON: Absolutely. The state government has put \$10 million on the table for that community project. To clarify, the area in Cockburn Central is the area where the Fremantle Dockers are looking to relocate. For some reason, a football team now needs two ovals on which to train. I do not quite understand how it got to a flag last year on one oval, but besides that, it will have a new facility and a head office.

Ms M.M. QUIRK: They did not win the flag, minister, unfortunately.

Mr A.J. SIMPSON: The second oval will be available for public use. The \$10 million will be given to the City of Cockburn for public use. That would still be in its forward financial planning. The City of Cockburn will be at the local implementation committee table with the City of Kwinana saying, “This project has come on. The government has put \$10 million towards that project so in the next few years, we are looking to allocate money to that project. We already have a couple of dollars in the bank for it. That has to become part of that project.” We need to ensure that this happens. The money from the government is guaranteed. It will stay with that project.

Mr D.A. TEMPLEMAN: I just want to explore this further because this is one of the important concerns that has been raised. Three councils in the metropolitan area are not affected by the amalgamation proposal. Has the minister given any directive or written to any of the councils that have been identified as being affected by the amalgamation process? I am not talking about Wanneroo, Joondalup or Rockingham, but the others. Have they been given any directive about any major investment decisions in their existing councils during this reform process? A council may have invested \$3 million or \$4 million on a new library, aquatic centre or whatever. Has the minister indicated to any council that they should put on hold any investment decision or capital works commitment as a result of this reform proposal?

Mr A.J. SIMPSON: This part is an interesting area for us. I will come back to the LIC issue that we spoke about. The member can FOI me, but I have not written any letters to anyone about major projects. I would hope

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that in this climate where we are now, waiting for that report to come out, a council would not go down the road and sign a five-year deal on a brand new grader and lease it for five years, tying itself to that debt for the next five years. I hope it would be a bit smarter and think about leasing one for the next six months until it knows what is going to happen. In no way have I encouraged any of that or encouraged councils to do anything.

Mr D.A. TEMPLEMAN: As we know, councils are framing their budgets for 2014–15, which includes an investment plan that is based upon their corporate plans and their asset management plans et cetera. Although the minister may not have given any directive, he would hope, as he said, that councils would not be making any major investments at this stage.

Mr A.J. SIMPSON: I am only talking about community investments. For instance, that oval would be a classic one. It would stay in place because of the population at Cockburn Central. It needs a public open space. We would leave that project on the table, regardless of whether it was Cockburn or the new identity that is borne out of it. The community needs that project.

[8.40 pm]

The only things I would be concerned about are signing up for other parts of equipment or looking to do things that were not in the community's interest. I pick up on the member's point; local governments are now framing their budgets for this coming year and they have this uncertainty of not knowing where those boundaries will lie. From day one of this reform process, local governments have told me that we need to get this resolved—make this decision and make it happen—because it is tearing them apart. I have been trying to answer these questions and go as fast as I can on this journey to get to that conclusion, because local governments need that decision and to know what will happen.

Mr D.A. TEMPLEMAN: This is an important issue. I would like to know, perhaps through the minister's department staff, whether councils have sought advice on major capital maintenance as they have prepared for this financial year's budget. For example, a 20-year-old pool may need relining this financial year or it will be unsafe in the following financial year. Have councils raised that sort of issue with the minister's office or the director general and her staff and sought guidance on their budget framing, particularly in regard to safety, maintenance et cetera?

Mr A.J. SIMPSON: With the unknowns of the reform process, this is a really hard time to be scaling up a budget. I will hand over to the director general to answer the member's question. The department has offered advice to councils as it has gone through the budget.

Ms J. Mathews: Although questions on specific projects have not been raised with us, those sorts of issues form part of the general discussions we have had through the Metropolitan Reform Implementation Committee and the local implementation committees that take part in that. It is raised more as a general issue for discussion and sharing. When we hold those meetings, local governments raise in a more general sense approaches to larger projects, the transfer of assets and liabilities. Through the Metropolitan Reform Implementation Committee we are seeking to provide some general policy advice and guidance. To date, that has not been in relation to specific projects as far as I am aware.

Ms L.L. BAKER: I would like a few details on some of the things appearing in the table on page 653 under "Details of Controlled Grants and Subsidies". I am sure the minister can give them to me quite simply, but I will start with "Companion Animal Shelters". It receives \$200 000 a year, but that stops at 2015. Can the minister tell me what that is for and why it stops when the funding for community gardens continues? More people have companion animals than community gardens.

Mr A.J. SIMPSON: Is that Cat Haven?

Ms L.L. BAKER: It is \$200 000; I thought that the government gave Cat Haven \$70 000.

Mr A.J. SIMPSON: It was a four-year commitment. We do not have any more money allocated after these four years. I am trying to find some more information.

Ms L.L. BAKER: What is it for?

Ms J. Mathews: Bear with me a moment. I am trying to find the information. It was a particular program for a dedicated period to provide specific funding for three or four animal shelters. I need to locate the particulars of those.

Ms L.L. BAKER: Was this in relation to the Cat Act?

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[ASSEMBLY — Wednesday, 21 May 2014]
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Mr A.J. SIMPSON: Yes.

Ms M.M. QUIRK: That is a separate line item.

Ms L.L. BAKER: I know it is a separate line item, but I am puzzled about why the government is giving \$200 000 a year to a number of shelters if it is not in relation to the Cat Act.

Ms J. Mathews: It is separate to the Cat Act implementation.

Ms L.L. BAKER: The minister is simply generous with companion animals; he should put out a media release about that.

Mr A.J. SIMPSON: As the member knows, I love animals.

The CHAIRMAN: Are we waiting for the answer?

Ms L.L. BAKER: Yes, we are, but I can ask a further question.

The CHAIRMAN: No, we need to answer this one and then go to another one.

Ms L.L. BAKER: It is on the same table. I did not mean to ask such a difficult question.

Mr A.J. SIMPSON: I do not think I brought enough people! If I find it, I will come back to the member with the answer.

Ms L.L. BAKER: This question is about the same table. Can I continue?

The CHAIRMAN: Okay, member.

Ms L.L. BAKER: A bit further down is the line item “Other Grants”. This question is bound to be easier to answer. In 2013–14 the estimated actual was \$138 000, but this year the budget estimate is only \$38 000. That is a big change. Who missed out on \$100 000?

Mr A.J. SIMPSON: Director general.

Ms J. Mathews: As I understand, the \$138 000 allocated in the category of “Other Grants” was drawn from discretionary expenditure at that time. As part of our rationalisation of some grants we have had to reduce that and that money has now been reallocated to other grant programs.

Ms M.M. QUIRK: In last year’s budget there was an amount of \$70 000 each year for the Seniors Recreation Council of WA, and that was also in the out years. That seems to have disappeared. I wonder whether that is one of the casualties under “Other Grants”.

Mr A.J. SIMPSON: No, we made an election commitment to increase funding for the Seniors Recreation Council. I commend Hugh Rogers and Dawn Yates for the great work they do in our community. We increased that money and it should be a commitment in the out years, so if it is not, that is not right. I will check. Does Ray have anything to add?

Mr R.W. Peters: We have committed \$70 000 for the Seniors Recreation Council for four years. For whatever reason it is not appearing on here, but we have signed a grant agreement with the Seniors Recreation Council. That is on top of our recurrent funding agreement with the council. It could come under our funded services, but I will double-check that.

Ms L.L. BAKER: I suggest that the minister provides the answer to the question I asked before as supplementary information.

Mr A.J. SIMPSON: That would be great. I am happy to provide supplementary information.

Ms L.L. BAKER: The minister is very obliging.

Mr A.J. SIMPSON: I thank the member for Maylands. I know I touch a nerve when I talk about animals, so she is always happy —

Ms L.L. BAKER: Just put that one in the kennel, but my further question —

The CHAIRMAN: Let us confirm the supplementary information first.

Mr A.J. SIMPSON: I will provide information on who gets the money from the companion animal shelters funding and why it cuts out at 2015–16.

[*Supplementary Information No A29.*]

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Ms L.L. BAKER: I refer to “Youth Activity Grants” and “Youth Other Grants”. I note that until 2012–13 quite a significant whack of money went into those categories, but now only \$25 000 has been allocated for the past couple of years and into the future. What is that change about?

Mr A.J. SIMPSON: I will get some clarification on that.

Ms J. Mathews: Is the member referring to page 653 where it appears to drop significantly to \$25 000?

Ms L.L. BAKER: Yes, it drops from \$400 000 collectively for the two line items.

[8.50 pm]

Ms J. Mathews: There is in fact \$200 000 per year in the out years allocated to the youth activity grants. That is in fact an error. Instead, \$175 000 appears in the line item “Cadets Western Australia Instructor Recognition Payments”. The figure \$925 000 should read \$750 000, which is in line with previous years. It is just where the money appears. I can confirm that \$200 000 is allocated into the out years for the youth activity grants.

Ms L.L. BAKER: I am assuming that is not predicated on being a cadet?

Ms J. Mathews: Correct. It is for general youth activities and youth development activities.

Mr D.A. TEMPLEMAN: On this issue of the youth activity grants, can the minister confirm that under the Department of Local Government and Communities’ restructure there will no longer be a discrete Office for Youth with its own director, and that there will no longer be discrete youth policy officers? If the answer is yes, how will the department maintain a focus on the needs of young people and how will youth service providers obtain high quality advice and assistance on youth issues? Can the minister confirm that there will be no Office for Youth?

Mr A.J. SIMPSON: I will hand over to the director general to answer the first part of that question and she can give an update on the new structure of the Department of Local Government and Communities and clarify where that structure fits. I will come back to the member on the youth services part of the question.

Ms J. Mathews: To answer the member’s question, I can confirm that there is no dedicated area called the Office for Youth. The department has been restructured following the creation of the new Department of Local Government and Communities. As the result of a pretty extensive strategic planning exercise and a new strategic plan setting out our priorities going forward, we have a structure that basically lines up with four key operational divisions. One of those is the community building and services division, which has 108 full-time equivalents, and within that there are three branches, two of which have resources dedicated to a range of initiatives under the various portfolio areas including youth, seniors, carers and volunteering. That division is the division responsible for implementing a range of youth development activities, and also providing funded services in the area of youth. Youth is very much a priority area for the department and for the division; it is just that we are taking a different approach to how we allocate our resources.

The CHAIRMAN: Before we go any further, the first question was on cats and now we are on to youth.

Ms M.M. QUIRK: It is on the same table.

The CHAIRMAN: It is on the same table, but they are different headings. I want to clarify that if we are going to stay on the same heading, we will be here all night going through all of those things. I want to clarify that the question was on cats and that is where it should have stayed. If members want to bring up another point, they should wait for their question. That is why I gave leeway for the director general to look for that chart to answer the question on cats. That is where we are, and if we have finished answers on cats, on which supplementary information was sought, we need to go to the next question. Members can come back to the same chart under a different heading, unless it is on cats.

Ms M.M. QUIRK: It is on cats.

The CHAIRMAN: I will accept the question, not on young people but on cats.

Ms M.M. QUIRK: I refer to the table on page 653. Can the minister explain why more money seems to be allocated in the line item “Cat Act 2011 Implementation” than is provided to the line item “Foodbank Western Australia 2030 Project”?

Mr A.J. SIMPSON: As members are aware, we implemented the Cat Act in 2011 and there was a budget allocation over three years to implement the act. As of 1 November last year, the Cat Act came into being and all cats at that point had to be desexed, microchipped and registered with the council. Money was also made

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available for local governments to go through the process of developing their policies, procedures and brochures on how to deal with it. That is what that money was allocated for.

I will pass over to the director general to say what the money for Foodbank was for. I was working with Foodbank on a Lotterywest grant the other month for its site, but that was a one-off payment of \$3 million that we did. Foodbank 2030 is a three-year infrastructure project with the aim of building purpose-built warehouse facilities in Perth, at the airport and in Bunbury and in Kalgoorlie for the WA community. To support this initiative, the department provided a finite \$6 million in a three-year grant program to Foodbank WA, which was funded and finalised in 2012–13.

The CHAIRMAN: A further question on cats, member for Maylands.

Ms L.L. BAKER: No, I have whole new question.

The CHAIRMAN: No, you will have to wait.

Mrs G.J. GODFREY: My question is on elder abuse, which is on the same table on page 653. However, I refer to the “Western Australian Family Foundation Special Purpose Account” on page 656. Could the minister please provide an example of the type of project this fund will support?

Mr A.J. SIMPSON: This area of elder abuse came out of my ministerial advisory council and the sector itself. Members may have heard me speak about this in Parliament; I have raised this issue a couple of times. There is quite substantial abuse against seniors in our community and it is interesting that although crimes against seniors is actually coming down, abuse is happening inside the family unit from family members, carers and close family friends. That is where we find the abuse. To help seniors, we set up, with the Office of the Public Advocate, a call service especially designed for seniors to get help. We set up guidelines and a brochure and a dedicated elder abuse hotline in partnership with the Department of Health. It is a fantastic service that seniors can access to explain their problems and seek advice. A key issue coming back is that the abuse is more than likely to be perpetrated by family members or carers, and often is to do with money. People threaten their grandparents or elderly parents to access the money they have for themselves or use tactics to get them to sign papers. This abuse hotline was set up so seniors can seek advice on what they should do and they can be pointed in the right direction to seek financial help. Also, if they have been abused, they can be put in touch with the right help. One of the most important things is to ensure that our seniors do not feel imprisoned in their own houses and that they cannot go out into the community because they have been threatened by a carer or family member who does not do the right thing by them. This is a great program and we have put the money together with Advocare to help with that hotline so that we can help seniors in our community.

Mrs G.J. GODFREY: I had a couple of cases in Belmont in which Aboriginal elders have had extended family come and stay for days or months and then start being abusive until the elders get three strikes and they are made homeless. Is this something that Advocare could look at?

[9.00 pm]

Mr A.J. SIMPSON: That is a classic example of an elderly couple—this is one of those cultural things—who always open their door to their family. It may not be the parents but the grandkids who cause problems, and that is brought to the attention of the police and the parents gets a strike against their names. We must try to work through the process and ensure that people respect government housing so that they have an opportunity to be given a hand up through this process and that they respect their neighbours and do the right thing. The three-strikes policy is there for a reason. This is something that needs to be raised early, because once two strikes have been recorded, they are very close to losing the roof over their heads. That will always be a hard challenge for us and is something that is hard to deal with as a local member. People have to go back to the Department of Housing to explain that they do not have the three strikes, but their grandchildren staying with them do, and they do not want to tell their grandchildren to leave. It is a very awkward situation. They can seek advice from the hotline; the Department of Housing will be able to provide them with information. People can make sure they are on the front foot with the department and say that something happened in their area, in their house or on the street but it was not because of them, but because the grandkids had a fight with someone else—to try to explain the situation and involve the police as early as possible. That advice is available through that hotline. It is an issue if someone is on the street through no fault of their own and they have been caught by the three-strikes policy; that is a sad case.

Ms M.M. QUIRK: We certainly welcome the hotline, it is overdue, but I want to ask two questions about that. As more cases come to light, more resources will be needed to address them. How will the resources be found to

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do that? Very much tied up with the issue of financial elder abuse is the abuse during powers of attorney; where is the Attorney General at with that?

Mr A.J. SIMPSON: These are things that generally occur with a growing population. I think I have said that 2013 was the year in which we had the most people turn 60 and the most babies born, and population graphs show the number of seniors going up at quite a considerable rate. For that reason the federal government is even talking about raising the pension age. This will be an issue of delivering services for seniors across the whole state in general; it will always be a challenge for us. I understand that the Minister for Commerce is working through a number of issues related to this. His parliamentary secretary sat in this chair just before me this evening and spoke on a number of issues to do with seniors' housing, the seniors hotline and also talked about the Council on the Ageing providing the service it does. When I was in opposition, I was involved in a committee report on the Karrinyup Lakes Lifestyle Village, and one recommendation was to make sure that the Department of Commerce set up a seniors housing information service. We have renewed funding for COTA through my department and the Department of Commerce so that COTA can still deliver that service to the metropolitan area for seniors to seek advice. The minister is very much aware of the issues that the member asked about. I am working hard with his parliamentary secretary to make sure we provide those services for our seniors.

The other point I raise is that the WA Seniors Card kiosk on level 2 of one40william has some advice and brochures available.

[Ms J.M. Freeman took the chair.]

Ms M.M. QUIRK: Yes, I found all of these confused seniors trying to find out how to get in there the other day.

Mr A.J. SIMPSON: Just to add to the member for Girrawheen's comment, I must admit that as the Minister for Seniors and Volunteering, I am not happy with having the kiosk on level 2 of one40william. I think the shopfront needs to be somewhere far more accessible. I am working with the Seniors Ministerial Advisory Council to try to identify other places. We identified one place on level 1 of the State Library in Northbridge, but it did not quite work out. We are still looking for places. There might be opportunities to have it in the train station, Kings Square or the new bus station. There might be some places available that are close to public transport access. I agree with the member. Every time I walk into my director general's office, I look around the corner at the seniors kiosk to see whether anyone is there filling out a form. Like the member, I have seen people out the front and have asked whether they are looking for the seniors kiosk. The building owner will not let us put up signs; we can put them only in the foyer, which is a bit sad.

Mr P. ABETZ: In connection with the question asked about elder abuse, I understand that funding is allocated to the line item "Western Australia Family Foundation" on page 653 of the *Budget Statements*. I understand that Advocare is also funded with \$40 000 from the Department of Health. The budget line is for \$250 000 a year. I tried to google "Western Australia Family Foundation" but nothing came up. What sort of foundation is it? What is the context, and what is the money used for?

Mr A.J. SIMPSON: The Western Australia family fund program was set up 25 years ago. The objective of the funds is to support projects that support family and the development of community values, according to the guidelines set up for it. There will be \$250 000 of funding going to it this year. This year we funded the Grandparents Day at Perth Zoo, the Thank a Volunteer Day grants as well as additional grants, and the Positive Image Award. We put \$25 000 into the Fathering Project, which is a great project run by Wayne Bradshaw and his group to help put together a program supporting strong father figures in our community. I am not sure whether members are aware of that program, but it is great. We funded the Choose Respect program to run that initiative this year and hopefully we can work with it to try to find some other funding through corrective services and justice, because it is working very, very well. The member for Bunbury is very proud of this program. We gave \$25 000 to Esther Foundation. Also, the Advocare abuse helpline was set up with \$40 000. They are the types of one-off things we fund through that initiative. There cannot be recurrent funding out of this account; it cannot be for recurring projects. It is ideal for projects such as the Fathering Project or the volunteer grants and so forth to be able to access that money; that is what the program was set up for.

Mr P. ABETZ: So that is actually a government fund?

Mr A.J. SIMPSON: Yes.

The CHAIRMAN: The previous Chairman was talking about the fact that the member needs to keep his questions on topic.

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Mr P. ABETZ: This is. I am referring to the “Western Australia Family Foundation” line item. Advocare is part of that line item.

Mr A.J. SIMPSON: It is government funded.

Ms M.M. QUIRK: I refer to the second service listed under “Relationship to Government Goals” on page 646. I refer to the five-year plan in “An Age Friendly WA: The Seniors Strategic Planning Framework 2012–2017” launched in late 2012. What moneys have been allocated by the minister’s department to progress this framework? If none, can the minister advise how this framework is being coordinated? What efforts are other agencies taking to progress this framework’s implementation?

Mr A.J. SIMPSON: “An Age Friendly WA: The Seniors Strategic Planning Framework 2012–2017” helps to develop and consult with other state agencies to provide a framework around an age-friendly WA. We have been working very hard with the Department of Local Government and Communities; it has been one of those great little projects enabled by having the Department of Communities with the Department of Local Government. There is now a natural fit because in communities there are seniors and local government and the two come together. We have had a really good take-up of networks around that. The World Health Organization gave the City of Melville an award for the design work it has done around age-friendly communities. Between 2006 and 2011, 27 Western Australian local governments received grants and funding of \$120 000 to undertake age-friendly research with local residents and incorporate the findings into the strategic planning process. They are the Shire of Augusta–Margaret River, City of Bayswater, Shire of Busselton, Shire of Carnarvon, City of Cockburn, Shire of Denmark, City of Fremantle, City of Mandurah, City of Melville, Shire of Moora, Town of Mosman Park—partnering with the Town of Claremont, Shire of Peppermint Grove and Town of Cottesloe—Shire of Nannup, City of Perth, and City of Rockingham. The City of Subiaco and the City of Swan have also done it, as did West Arthur partnering with Wagin, Woodanilling and Williams. Dumbleyung has done it, along with Capel and Kwinana. This has been a great little program.

Ms M.M. QUIRK: Where is the allocation of that money recorded? I cannot find it in the budget papers anywhere.

Mr A.J. SIMPSON: We have allocated \$50 000 this year and \$200 000 next year out of the discretionary fund internally in the department.

Mr D.A. TEMPLEMAN: I refer to the youth-related grants on page 653 and the director general’s comments earlier when we were discussing cats. I am disturbed to find that youth has suffered a major downgrade in the department through the merger. The director general said that there is now no specific office of youth or director in the department with responsibilities for youth and that the responsibility is disseminated amongst the broader staff. The minister has confirmed it is not there. Why has the minister gutted youth services, given that the federal government, for example, announced that funding of Youth Connect will cease from 31 December this year, and given that young people are one of the most vulnerable target groups and one of the growing groups in the state, yet the minister’s department has no real priority for them? What has the minister done and what will he do to advocate the retention of Youth Connect, for example, and to build youth funding and youth services rather than allow them to decline?

[9.10 pm]

Mr A.J. SIMPSON: This has been an interesting area for me as the Minister for Youth. In the first weeks of coming to this job as Minister for Youth we had a gala evening at Crown Perth for the youth awards at the end of Youth Week. I remember that when I told the member for Mirrabooka about the evening, she told me the story of the person who got Youth of the Year and was given the certificate and shown the door. I had the same experience last year when I gave the Youth of the Year award to a great young Aboriginal boy, Lewis Abdullah. I have been working with Craig Comrie at the Youth Advisory Council of Western Australia; he is a fantastic young bloke. YACWA is taking over the youth awards this year. We have pushed those back to the end of October–early November; we are finalising that now. We are changing it from youth of the year to youth ambassador of the year. In the lead-up to Australia Day, we nominated a youth for the Australia Day awards, and we also nominated a youth for the Western Australia Day awards, which I am taking over as Minister for Youth; and there is also a youth of the year award and a youth award. One of the problems I have with this portfolio is that there have been confused messages around youth and what is youth. In looking at our youth awards, I have done a fair bit of work with Craig Comrie to turn this into an award for youth ambassador of the year. That will be in October. We have also changed the dialogue and the makeup of the award. This year, the youth who is given the award will be able to access \$10 000 to travel around the state to tell people their story. We identified

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this year that young Lewis Abdullah should visit remote Aboriginal communities to tell his story. He works in the Department of Corrective Services at the Banksia Hill Detention Centre as a mentor and does fantastic work. In answer to the member for Mandurah's question on youth, rather than continuing to run the youth awards from the department, I have handed that over to YACWA, which will now run the awards process. They will take care of it all. I would like to see the youth awards run by youth for youth. That is one area in which we are giving ownership over to youth, which I think is important. The other thing we have done is to make sure that youth friendly community grants are still available. We have been going out wide and far to —

Mr D.A. TEMPLEMAN: There is no growth.

Mr A.J. SIMPSON: The interesting part is that I am trying to acknowledge youth. One of the sheer frustrations for me as minister is that youth are never seen in a good light. I hate the fact that Facebook exists and the effects of social media, and that we have a thing called leavers' week that, for some reason, gives every kid the right to let off steam and trash Busselton and Rottnest and now Bali because they have done 12 years at school. I have to put money into a program during leavers' week to protect those kids. It is interesting that stories of kids doing all the wrong things end up on the front page of our newspapers, when in reality there are so many kids doing so many good things in our community. I am trying to find a way to promote them. I am working very hard with YACWA. There is a reasonable amount of money in the budget. I have changed the youth awards.

Mr D.A. TEMPLEMAN: Why has the minister taken funding away? There is no money for the social enterprise fund.

Mr A.J. SIMPSON: The youth awards are a classic example of putting together a program in which we try to bring down the cost of the award night and giving it more youth focus. Currently, out of a \$1.7 million budget, an amount of \$1.4 million is allocated to the youth development service to provide sustainable structure long-term youth development programs and activities, and also \$362 000 for a support service assisting to cope with the present changes. I started to say that we have to change the way we are doing things. For instance, we had a program during Refugee Week in which we held an art exhibition. I have gone to Monique Douglas of Propel Youth Arts WA to find a way to change that a little, because when I went to the opening, made the speech and looked at all the great artwork I learned that four schools had applied for the money in the metropolitan area. So, those four schools took my money and used it on art classes, which did not hit the target of youth in art. I am hoping to change that. I have identified that I have a lot of money in the youth portfolio, but I do not think it is going in the right areas or hitting the right target. The interesting thing is that we keep doing the same thing year in and year out. That is not a good thing and, hence, we have been working hard with YACWA to look at the awards, how we are delivering youth programs and how we are spending our money. We still have a lot of work to do. I pick up on the member's point about spending and that the money available is the same, but I believe we have a lot more work to do to change what we are doing with youth in the state at the moment.

Mr D.A. TEMPLEMAN: Where is the policy development being done? The minister has gutted the policy people and taken them out. There is no director. There is a wishy-washy sort of view that youth stuff will get done within the department, but no-one has carriage of the policy. If the minister wants to make changes, he needs policy advice and good quality direction to deliver the policy. However, the minister has now allowed, through the restructure, a gutting of the youth portfolio. Has the minister considered that previously youth has been attached to other departments? It has been the surrogate child of so many different departments over the years.

Mr A.J. SIMPSON: It has.

Mr D.A. TEMPLEMAN: Youth used to be part of the Department of Sport and Recreation; it was in community development when that was the badge; and it was part of education at one stage. If the minister is to achieve what he wants to achieve, he has to have policy people, but he has taken them all away, dissolved them or told people that it will get done, but no-one has that tag.

Mr A.J. SIMPSON: I will hand over to my director general for the structure of how that will unfold, but I will make a couple of comments first. I believe that in this sector we are not putting enough faith in the youth of today to deliver stuff. As I said before, I worked with YACWA to make sure it runs the awards; it will be part of that process. I am confident that youth can make the decisions about what they do and challenge us, as the leaders in our community, about what they want to do. I believe we have a good framework in the department with its new structure of local government reform. Jennifer will explain a little more on how that will unfold.

Ms J. Mathews: I will elaborate on my earlier comments, because I would not like to leave the impression that there is not some very strong youth expertise within the department. We have a very strong, dedicated policy

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team consisting of 27 people within the strategic research and initiatives area. That team is headed up by a very senior person—a more senior person than was there before—a level 9 SES officer, who will basically lead a team or branch of 27 people whose job it is to develop policy, research and strategic initiatives across the key portfolio areas, including youth. We are trying to avoid a silo approach. That is not to suggest there is not a strong policy expertise in those areas, including in the youth team. Also supported by that are the 17 people working in the grants and funded services team. They also support and work very closely with the policy team to ensure that funding is provided in the area of youth—at the moment we provide \$1.7 million per annum in funded services for youth in addition to the \$200 000 discretionary grants scheme. That is over and above the \$200 000 in grants. We get that alignment in policy direction and funding, so that funding is going out to areas of need. There is a very strong focus within the department in that area and I think it will be strengthened from the previous structure.

Mr D.A. TEMPLEMAN: The department of communities in the Department of Local Government and Communities is underfunded. It is one of the most important deliverers of potential policy direction and advocacy and services, but it gets a piddling amount of funding. Youth funding has not increased, probably since I was the minister back in 2007.

[9.20 pm]

Mr A.J. SIMPSON: It probably has not, member. I will make a couple of points. We are still in the early days of the new Department of Local Government and Communities. This has given us the opportunity to run fresh eyes across both agencies. Every day we find a connection between communities and local government. Every time we go out to one of my 140 community groups that are funded through the department to chat to them about the services they deliver, there is a natural connection with the local government sector in how they deliver it. There is a natural connection between the way they house them together. It is the same with Youth. As we develop a structured plan for the new Department of Local Government and Communities, there will be not only some good benefits and savings, but also some really good debate. Instead of siloing them all the time and doing nothing about youth, there will be a good connection through local government.

At the recent Western Australian Council of Social Service awards, we put in a category for a local government that has done well in this sector. We wanted the opportunity to recognise local government in the community sector. It gives us the opportunity to put a fresh set of eyes across both departments. There is a natural connection. The best thing about local governments is that they learn from each other. We have recently done a heap of work about what is being done in the youth portfolio with local government. We are also getting some framework around how to deliver youth services.

Ms L.L. BAKER: How many women are in the women's policy area?

Ms M.M. QUIRK: It is the wrong minister.

Mr A.J. SIMPSON: No, it is not. The member is right; it falls under my department, even though the police minister is the Minister for Women's Interests.

Ms M.M. QUIRK: Whoever it is, they are both invisible!

Ms L.L. BAKER: I refer to the first dot point on page 648, which begins —

The Department prioritises a range of initiatives to support women's capacity to participate in ...

Mr A.J. SIMPSON: I will hand over to Jennifer.

Ms J. Mathews: There is a very big body of work going on in the women's portfolio on a number of initiatives that are really dedicated —

Ms L.L. BAKER: Sorry, Ms Mathews; how many people are in the women's policy area?

Ms J. Mathews: As with youth, it is a similar approach we are taking in relation to other parts of the portfolio.

Ms L.L. BAKER: So there are none.

Ms J. Mathews: As I mentioned, we have a team of 27 people working across a range of areas.

Ms L.L. BAKER: Do they work on women's policy?

Ms M.M. QUIRK: They are polymaths!

Ms J. Mathews: Basically, people are drawn in as required to work on a range of projects.

The CHAIRMAN: Let the adviser answer the question.

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Ms L.L. BAKER: Please go ahead. I apologise.

Ms J. Mathews: Because we are taking a new approach, it is quite difficult to disaggregate the number of full-time equivalents. People from across the department are working on women's projects. For example, in the funded services area—the grants area—and in the policy area we have brought in women officers from the local government area who have expertise in women's issues. They have come across to work on particular projects such as women in local government. Of course, there is also the Women's Information Service. It is very hard. Our focus is really on achieving the outcomes we want in the women's portfolio area, with a particular focus on women in leadership and promoting economic independence. They are the two key themes that Minister Harvey is keen to promote. Essentially, we then dedicate the required resources. I suggest that more resources are now allocated and devoted to the women's portfolio than previously because of this new approach.

Ms L.L. BAKER: Do we still produce the "Women's Report Card"?

Ms J. Mathews: Yes. Minister Harvey and the department are proposing to produce —

Ms L.L. BAKER: "Proposing" to?

Ms J. Mathews: They are proposing to, yes. Work has already started.

Ms L.L. BAKER: This year?

Ms J. Mathews: There will be a report card for 2014–15.

Ms L.L. BAKER: The dot point states "prioritises a range of initiatives". There is the "Women's Report Card" and the Women's Information Service. Does the department still support International Women's Day?

Ms J. Mathews: Very much so. A lot of work went into supporting IWD this year, including, for example, supporting the WA Women's Hall of Fame, which was a terrific event. A ceremony inducted new women into the hall of fame. We also supported a number of major events in relation to IWD, including a breakfast and a major lunch in partnership with the Chamber of Minerals and Energy of Western Australia and UN Women. That was certainly promoted. In addition, a range of initiatives have been accomplished, including the recent launch of a board-ready guide for women. It has been very well received by the sector.

Ms L.L. BAKER: How successful has the board-ready guide been? I know the Australian Bureau of Statistics has produced appalling figures showing that women's participation rates on boards is going backwards or is stationary. How successful is the department's work on that?

Ms J. Mathews: The board-ready guide for women has only recently been launched. It is probably a bit hard to measure the impact of the results of that at the moment. It has certainly been very well received and very well supported by the corporate world. One area in which we are seeing some good outcomes is women's representation on government boards. In fact, that figure is now up to 40 per cent representation. That is quite a strong figure and it has improved over the last few years.

The CHAIRMAN: I will exercise my right to ask a question from the chair. Funding was previously provided to encourage women onto boards. Is that funding still available?

Ms J. Mathews: We are basically supporting a range of scholarships and support programs for women, including the one the Chair mentioned, AICD—the Australian Institute of Company Directors.

Ms L.L. BAKER: Western Australia has the worst gender pay gap in Australia—it is the largest in the country at 24 per cent. The minister has been in government for how long now—six or seven years?

Mr A.J. SIMPSON: Since 2008.

Ms L.L. BAKER: Does the minister think what is being done to promote women in the workforce has been successful?

Mr A.J. SIMPSON: The gender pay gap is driven more from the private sector. The government has been quite clear that it will ensure there is equal pay at all levels. We have done that over a number of years, working our way up through the levels to make sure that the pay is always the same. Gender inequality is in the private sector.

Ms M.M. QUIRK: In the Liberal Party, minister!

Mr A.J. SIMPSON: We need to ensure the private sector tries to equalise, or at least reduce that gap. The member is right: she identified that Western Australia's wage gap is higher than average in Australia. That relates to a very heavy reliance on the resources industry. It is a male-dominated industry in which the pay is quite higher than any other pay in the general community. Once the two average pays per week are put into the system and it is balanced against genders, the male one will always be considerably higher because of the huge workforce in the resources sector, which is dominated by men. The figures are overinflated very quickly; hence they seem to be very much out of balance. The government is very supportive of women's interests and the

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gender pay gap issue. It will try to promote opportunities in leadership and so forth and try to make sure we can bring the gender inequality figure down, but the overinflated figures come directly from the fact there is a huge male workforce in the resources sector. It makes that gap look wider than is the case in the other states.

Ms L.L. BAKER: Is that acceptable?

Mr A.J. SIMPSON: No, it is not.

Ms E. EVANGEL: I refer to the item “Cadets Western Australia River Rangers Instructor Recognition Payments” on page 653. Can the minister please provide an update on the River Rangers cadet program?

[9.30 pm]

Mr A.J. SIMPSON: Part of our election commitment in 2013 was to increase the rangers’ cadet program. A great program was already running and we increased it by adding six more cadet programs through River Rangers.

The department was keen for the River Rangers to go out into regions such as the Kimberley and the Pilbara to try to engage with young people there. The cadet program is a great way to get kids to engage in the environment and teach them leadership skills. As we know, keeping kids active also keeps them busy doing other things and not being disruptive. It is a great program. Throughout the metropolitan area, 11 groups have worked with primary schools to establish their cadet programs. There are great figures coming out. Of the 11 groups operating in the metropolitan area, there are in excess of 300-odd cadets. That is great because it gives those kids the leadership skills they will need as they move on in their lives. The six groups that have been set up in the north west and in the regions have been very well accepted. The most difficult thing for me as minister is to find a high school that is willing to engage in this process, because it relies on schools to commit some time and a teacher to help drive the program. It is a great program to expand into the regions and it required great commitment to get six new River Rangers groups set up in the cadet program. It is fantastic.

Ms M.M. QUIRK: I refer to page 646, “Spending Changes” and the seniors safety and security rebate. I have a couple of questions on this matter. Firstly, can the minister advise the rationale for no longer funding fire safety equipment for seniors, such as smoke alarms, fire blankets and extinguishers? Secondly, how many applications for home security items have been made since January 2014? How many have been approved for the months February, March and April 2014?

Mr A.J. SIMPSON: The member for Girrawheen may remember that we had this exact same conversation last year about the scheme changing. At that time I announced that the original scheme was for security lighting and screen doors. A total of almost 46 000 people applied for that money over the four years. But as the program carried on, fewer people applied for it because it could be applied for only once. The Seniors Ministerial Advisory Council and a number of seniors groups pointed out that a number of seniors live in gated communities, retirement villages or nursing homes and do not need funding for security lighting or screens because they already feel safe in their communities. There was an opportunity to look at how to fund and support seniors with those types of things and now there is a program that provides \$200 for fire extinguishers, fire blankets and personal alarms—the ones people hang around their necks and push in an emergency.

Ms M.M. QUIRK: The funding for fire and safety equipment is ongoing?

Mr A.J. SIMPSON: Yes; they are the two that have changed over.

Ms M.M. QUIRK: That is different, because there was one for fire safety equipment of \$200 and one for security doors of \$200. Now there is only one amount of \$200 for either.

Mr A.J. SIMPSON: On 1 January, the old scheme for security screens and lighting stopped and the new one started. There was a bit of overlap because some Australia Post outlets had the old forms, so the office for seniors interests and volunteering has honoured those applications up until March and until we got rid of the old forms. But since the current scheme commenced on 1 January, 1 092 people have applied for the personal safety devices. A sum of \$217 000 has been allocated for that.

Ms M.M. QUIRK: Is that applications or approvals?

Mr A.J. SIMPSON: It is approvals.

This is one of the ongoing commitments to try to make seniors feel safe in their homes. I am always conscious that when there are government programs that fund security screens and lights, companies advertise discounts for seniors for lights and screen doors at a certain price. It is always good to move those programs on and to make sure that everyone is supported. I must admit that this new program has not been taken up as much as the other program, but we are always reviewing the process and seeing how to support seniors in their homes. The

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government is committed to supporting seniors in this area and supporting a raft of other discounts and grants for seniors.

Mr D.A. TEMPLEMAN: I refer to page 646 and the line item “Regional Workers Incentive Allowance”. There are cost savings in the forward estimates 2014–15, 2015–16 and 2016–17. What do those savings relate to?

Mr A.J. SIMPSON: The district allowance payments for regional workers are funded by royalties for regions. They are additional payments received by employees in regional areas to compensate for the additional costs associated with regional living. What did the member’s question refer to?

Mr D.A. TEMPLEMAN: What do these savings relate to? Are these reductions in district allowances? Are the workers in the department who work in rural and regional WA taking pay cuts because their district allowances have been reduced?

Mr A.J. SIMPSON: I will hand over to the director general who has more information on the matter.

Ms J. Mathews: These figures really reflect adjustments in the out years, based on the Department of Commerce’s calculations, and also based on a regional price index survey. Essentially, certain amounts were included in the out years for that and they have been adjusted downwards in the out years in line with the calculations provided by the Department of Commerce. They are applied across the state accordingly.

Mr D.A. TEMPLEMAN: Is that in relation to the department’s regional workforce and metropolitan workforce?

Ms J. Mathews: Yes.

Mr D.A. TEMPLEMAN: There is no indication in the budget estimates what the total FTE is for the department. What is the total FTE for the department? Through supplementary information, what is the distribution of staff in rural and regional Western Australia as opposed to the metropolitan area? I would like to know the numbers. How many are in the Kimberley and Pilbara, and what are those positions? I do not expect the minister to read them out now because we have many questions left to ask.

Mr A.J. SIMPSON: I will take it on notice that I will provide the information regarding the subsidy for the regional district allowance and I will break that up into how many FTEs.

Mr D.A. TEMPLEMAN: Yes; how many FTEs are employed by the department in each of the nine regions and in the metropolitan area? That will give us a total. I would like a comparison with the total FTE for the department prior to the amalgamation of the new department. I want to know whether staff levels have gone up or down, and where that has happened.

Mr A.J. SIMPSON: Before the departments came together, so back in 2012, and after 2013—the total figures of FTE working in the department. Is that clear?

The CHAIRMAN: Yes.

[Supplementary Information No A30.]

Mr D.A. TEMPLEMAN: Why did the minister not include the FTEs? In most portfolio areas in the budget papers there is a stipulated FTE figure. Is there any reason why that was not included in the papers? Is it there and I missed it?

Mr A.J. SIMPSON: It shows that on page 652, under “Income Statement (Controlled)”, the last paragraph at the bottom of the page shows the full-time equivalent 2012–13 actual and the 2013–14 estimate and so forth. The figures are 326, 333 and 297 respectively.

Mr D.A. TEMPLEMAN: The number of FTEs has declined. The numbers were 326 in 2012–13 and now will be 297. That is a loss of 29 staff.

[9.40 pm]

Mr A.J. SIMPSON: That is an amalgamation and a saving of costs.

Mr D.A. TEMPLEMAN: I now know where the youth have gone, where the women have gone and where the seniors’ advisers have gone.

Ms L.L. BAKER: I refer to the fourth dot point on page 647, which refers to reform to the community service organisations and the sustainable funding and contracting arrangements. Can the minister please provide me with an update on the progress of those reforms? In particular, I know that a further \$600 000 still has to be distributed to “eligible providers”. I would like to know what that term means in a bit more detail. What does a provider have to do or be to be eligible for the extra money?

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Mr A.J. SIMPSON: The department has made some significant progress in implementing the state government's delivering community services in partnership policy. The Department for Communities has provided increases averaging 32 per cent since 1 July 2011 as part of the government's commitment to improving sustainability of the non-profit sector. Some changes have been made in the reform process that have been implemented by the department, which include the development of basic service requirements to assist the organisation. We have also streamlined the reporting requirements, reducing that administrative burden. The long-term service agreement now lasts for five years, so those agencies are now not relying on funds year to year, hand to mouth. By giving them funding for five years, they have that continuity of employment. We are also transitioning individual services by program areas to new contract arrangements. I will just ask my adviser whether we have any more information on the last question asked by the member about —

Ms L.L. BAKER: Shall I ask it again—maybe a bit more clearly?

Mr A.J. SIMPSON: Just the last bit.

Ms L.L. BAKER: It related to the department's funded community services that it is contracting out at the moment. Eligible providers were expected to deliver against a number of forms in order to resubmit tenders and be eligible for the \$600 000. If there are 2 000 contracts, how many of those 2 000 NGOs are compliant and able to take advantage of the next stage of the reforms?

Mr A.J. SIMPSON: Mr Peters may be able to provide more information about that.

Mr R.W. Peters: I suppose as part of those reforms, to be eligible in the first place, a provider has to have an agreement in place with the government agency. That was the number one eligibility criterion. If a provider had an agreement in place, they pretty much got a 15 per cent increase to their funding levels straight off the bat, so there was no negotiation over that. For component 2, each government agency had to do an agency implementation plan, which basically took into account a lot of issues relating to historical underfunding, pretty much where the department was going in relation to its priorities and service delivery and so forth, as well as bringing all those agencies that we had agreements with across to the new delivering community services in partnership policy. That was part of a whole process of collaborating with all those services. We partnered with a lot of the peak bodies to develop the new outcome-based service specifications with a lot of those services. As part of our agency implementation plan, we use a lot of historical underfunding because it is coming from the old Department for Community Development before it was amalgamated to become the Department for Communities. We were able to do that. In effect, I think that over 90 per cent of our services actually got component 1 as well as component 2. Unfortunately, the only organisations that did not get component 1 and component 2 were local government authorities, which at that point were not eligible for part of that \$600 000 as part of the government's directive.

Ms L.L. BAKER: I thank the officer for that information. I refer to the package of reforms that were put up by the Premier six years ago. Mr Peters talked about components 1 and 2. The Premier also installed a couple of quite innovative new grants schemes. Social innovation grants and social enterprise grants were part of all that. I note that the government is now \$4.2 million better off because that has all been cut.

Mr A.J. SIMPSON: We are currently reviewing and carrying out an audit of the social innovation grants and the social enterprise fund.

Ms L.L. BAKER: But the government has not budgeted anything for them.

Mr A.J. SIMPSON: We have stopped that for the moment because we are evaluating the amount of money that has gone out. The idea of a social innovation grant was to develop an idea that could be used in a program. It was quite specific as to what the money was to be used for. We are now evaluating those grants to ensure that we can implement some of those innovations in the community sector or whatever the innovation is.

Ms L.L. BAKER: But there is no money in the budget to do any more.

Mr A.J. SIMPSON: No, but we have \$4 million in the forward estimates. I will ask Ms Mathews to respond.

Ms J. Mathews: At the moment no money for the social innovation grants appears in the out years. Money does appear in the out years for the social enterprise fund; it is about \$2.3 million. Between the two funds, we have around \$3.8 million in funds that are unspent to date. The idea will be to look at the evaluation and see where there might be some room for improvements and enhancements going forward and how the remaining funding might best be used going forward.

Ms L.L. BAKER: That is good news. I cannot see that in the budget papers. I am terribly sorry but can the minister point me to where that is? I am looking at the one on page 653, the one with the cats in it. It is down the

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bottom. There are clearly two categories. One is the social enterprise fund. I am looking at 2014–15, and it says there is \$2 053 000 in that.

Mr A.J. SIMPSON: Yes.

Ms L.L. BAKER: That is fabulous. There is nothing budgeted in the out years. Underneath that one is social innovation grants, and the budget estimate is zero. There is nothing. Where is the \$1 million hiding that the minister told me about?

Ms J. Mathews: That is unspent funds remaining. It would need to go through a process of carrying over that funding into the out years.

Ms L.L. BAKER: What guarantee do I have that that money will not disappear and never come back into the budget again?

Mr A.J. SIMPSON: The social innovation grant is about developing ideas; it was not going to be around forever. It will continue because the idea of a grant is to explore ideas, give the money to a project and work out how we can best deliver some of those social services. It should not just deliver a service; it should look at how a service is being delivered and how the two can work together. It always has a finite start and a finish. One of the hardest things about being the Minister for Community Services is trying to find money for a program. We do not want to give money through a grant process because we all know that at the end of that grant, people who are employed will be back on our doorstep saying that a certain person has a job and they are doing fantastic work but their grant is running out and they need more money. I am always very conscious that when we give out grants, it is not recurring money; it is for a specific use and it is finite. Hence, that is why the checks and balances are in place. The social innovation grants and the social enterprise fund are being reviewed, so that no money is available going forward. We will review those policies and see what innovations have come out that the government can implement.

[9.50 pm]

Ms L.L. BAKER: This is the final thing and then I promise I will shut up. The minister has just said to me that there is a limit to the number of innovative ideas that someone can come up with and we have reached that limit —

Mr A.J. SIMPSON: Over the last four years we have allocated \$12.8 million for social innovation grants and \$10 million —

Ms L.L. BAKER: Is that \$12 million?

Mr A.J. SIMPSON: Yes.

Ms L.L. BAKER: Is that in the forward estimates that are not —

Mr A.J. SIMPSON: That is what we have spent to date.

Ms L.L. BAKER: I am not questioning what the government has spent.

Mr A.J. SIMPSON: We have also put in \$10 million. That is \$22 million in grants on some sort of social innovation or enterprise. At the end of the day, we need to stop and evaluate spending that sort of money on grants to do these types of projects to see whether we benefit from it. An amount of \$22 million is a lot of money to be spent throughout the wider community on social innovation. We should be able to take away lessons from that and implement new ideas to provide better services. We need to evaluate what we have spent so far and make sure that we get the best use of our community grants. That is the idea of the social innovation grants.

Ms M.M. QUIRK: I refer to the sixth bullet point on page 647, which refers to demographic changes and the government's policy responses to those demographic changes. Firstly, given the predicted prevalence of dementia in the future, which has social as well as health implications, what is the government doing to address its impact? Secondly, given the demands for seniors to work longer, thereby diminishing the valuable pool of available volunteers, what measures is the government putting in place to address this issue? Thirdly, what commitment has the government made to falls management? I gather that some funding that was available is no longer available.

Mr A.J. SIMPSON: What was that last one?

Ms M.M. QUIRK: I referred to falls management. I think a grant was given to the Council on the Ageing.

Mr A.J. SIMPSON: Is that in the Department of Health or the Department for Local Government and Communities? I will just let Jennifer look for that. I will go back to volunteering. How we get volunteers is an interesting process. I must admit that as I go to more volunteering awards, I notice that the same people are at the seniors awards. Older people have more time to give to volunteering. All the documents and national reports on

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volunteering that I have read identify that the certain point in our life when we tend to get involved in volunteering is when we have children. Once someone has kids going to school, they might join the parents and citizens association and engage and volunteer their time freely. That tends to take them through to other volunteering roles in their community. We will struggle to engage the younger generation in volunteering. We have a number of programs. As a former minister for volunteering, the member for Girrawheen might remember the program that engaged students in volunteering at school. That program tried to enforce volunteering at a young age to take them through a life of volunteering.

Ms M.M. QUIRK: That program was abolished in the first year of the Liberal–National government; Premier Carpenter introduced that in schools and Premier Barnett abolished it.

Mr A.J. SIMPSON: We need to do more work in the area of volunteering. We need to encourage growth of the volunteer base. We fund Volunteering WA more than \$1 million to run volunteer resource centres and get volunteers into our wider community so that we can keep building that base.

In response to the member's question on dementia and Alzheimer's Australia, it is something very close to my heart as my father-in-law is a full-time carer for my mother-in-law at South Yunderup. Seeing firsthand someone living with dementia, I know that it is a horrible disease to go through. The government has committed \$200 000 in 2013–14 to help support people in our community with dementia through the dementia-friendly community project of Alzheimer's WA. Support is also provided through the Department of Health. Not enough time or money could ever go to support this area. In response to the member's question on falls —

Ms M.M. QUIRK: It might be a health one.

Mr A.J. SIMPSON: It might be a health one. I apologise, member. It is one of those things.

Mr D.A. TEMPLEMAN: I refer to capacity building in local government as referred to on page 647 of the budget. This government has reduced the number of new procedures and requirements on local government over the past few years, including the integrated planning and reporting fair value and risk management initiatives and requirements. What funding support has been provided to country and regional local governments to meet these new requirements? Has money been allocated to provide for local governments in regional and rural areas to meet these new requirements?

Mr A.J. SIMPSON: I thank the member for the question. An amount of \$9.7 million from the country local government fund was allocated to the former Department of Local Government over four years to support building the capacity of the local government sector. This resulted in significant improvement in local governments and their capacity to develop strategic and community plans and corporate business plans that address the long-term sustainability challenge. The 2014 capacity survey indicated that 94 per cent of country local governments had a strategic community plan; 100 per cent of metropolitan local governments and 83 per cent of the country ones had a corporate business plan of long-term financial planning; and 83 per cent had an asset management plan. That is a very good uptake considering eight or nine years ago we were pushing to get 10 per cent. This is part of the bigger picture of trying to make sure that councils bring in an integrated planning process. Councillors constantly look at each of their budget cycles to see what they have for their community or their ward. The idea of the integrated planning process is for councillors to take their eyes off the budget paper and look at the bigger picture of their assets and make sure that they are managing the assets for the future. The member for Mandurah has raised the issue of local government's capacity to maintain assets when they are building new assets through royalties for regions funding, for instance. The member has questioned whether local governments take into consideration that a new asset costs money to maintain, rent, power and clean. That is all in the forward estimates. More importantly, once a local government has had that grant, after 25 years or, more importantly, the synthetic agreement in 10 years, a sinking fund is set up to replace it. This has been a really good project to make sure that we get local governments' capacity up to that level to make sure that they can do all that. That has been through that allocation of \$9.7 million over four years.

Mr D.A. TEMPLEMAN: Given that on a number of occasions the minister has said that he wants to see local governments operate more like boards and for councillors to have a greater level of skill and expertise, is the minister considering introducing mandatory training for elected members?

Mr A.J. SIMPSON: I would like councillors to act like a board at a board table rather than a council think like a board. I say that because when I did the Australian Institute of Company Directors course, I learned that when a board makes a decision at a board table, it is making a decision on behalf of that organisation, whether it is a not-for-profit group or a multinational company. Policy decisions that drive the ship are made at the board table. Local government is a bit different. This is where the problem comes from. What I liked about the company director course is that I learned that a board makes a decision on the information provided to it. At a board level

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there are no ratepayers or shareholders sitting in the public gallery behind the board members. There is just the board table around which to sit and make a decision. That is one of the things that are a bit different. It would be really good to have that training. I love the idea of enforcing that, but I do not think I could get that up. We need to look at what we are doing in this sector, because every time there is an inquiry or a progress report into any local government, one of the clear things that comes back is that the council has made some bad decisions or, more importantly, it has made a decision without having enough information in front of it.

The appropriation was recommended.

Committee adjourned at 10.00 pm

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