

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

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**Division 31: Culture and the Arts, \$161 645 000 —**

Mr N.W. Morton, Chairman.

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

Mr D. Ord, Director General.

Mr T. Loiacono, Chief Financial Officer.

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

**The CHAIRMAN:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

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 principal clerk by Friday, 19 June 2015. 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:** Do we have any questions? The member for Midland has the call.

**Mrs M.H. ROBERTS:** We might begin by looking under the heading of "Spending Changes" at the one per cent general government efficiency dividend and also the 15 per cent procurement savings. Can the minister explain how his department has met the efficiency dividend this year and whether he has identified how the department will meet the efficiency dividend in the forward years; what spending cuts or areas have been identified? I have essentially the same question with respect to the 15 per cent procurement savings. How does the minister intend to make those savings and what guarantee do we have that the money will not come out of, for example, the Perth International Arts Festival fund or some other source if those procurement savings cannot be made?

**The CHAIRMAN:** Is the member referencing page 341?

**Mrs M.H. ROBERTS:** Yes, page 341.

**Mr J.H.D. DAY:** The last question was whether that money might come out of the Perth International Arts Festival funding and the answer is no because, apart from anything else, the funding that goes into PIAF primarily comes from a grant from Lotterywest. That is provided for in the Lotteries Commission Act whereby 2.5 per cent of the distributions it makes goes to PIAF, so that is not under consideration in meeting these savings amounts. How the savings will be met in the next financial year has not yet been determined. An agency expenditure review that has emanated out of the Treasury portfolio is underway, and the process being undertaken includes the director general of the Department of Culture and the Arts and also representatives from the Department of the Premier and Cabinet and the Department of Treasury. The review is chaired by an external person, David Tune, who was formerly the secretary of the commonwealth Department of Finance. All the options and indeed issues around expenditure and funding in the arts portfolio are being looked at through the state's direct appropriation to this portfolio. I will ask Duncan to elaborate a little on this process.

**Mr D. Ord:** In terms of how we have met the one per cent general efficiency dividend this year, it was proportioned across the portfolio according to the size of the appropriation of each of the entities in our agencies and our portfolio. We met that dividend by reducing discretionary spending in areas such as travel and advertising and by using all the other techniques that agencies use for tightening budgets. The procurement savings are an extension of a previous saving. In a sense, we have forgone an increase in our procurement that otherwise would have applied had the savings measures not been extended from previous budget years through to the forward estimates. No intended procurement was in place that has now been sacrificed as a result of the savings, but we have had to put on hold procurements that we otherwise would have been seeking to do.

**Mrs M.H. ROBERTS:** The minister advised that an agency expenditure review has been conducted under the auspices of Treasury and that Treasury has appointed someone to do that —

**Mr J.H.D. DAY:** The Treasurer has, yes.

**Mrs M.H. ROBERTS:** Sorry, the Treasurer has appointed someone to do that. I assume that the minister's department will have input into that review.

**Mr J.H.D. DAY:** Yes.

**Mrs M.H. ROBERTS:** In the same way there was a midyear review process last year, is it possible that the arts budget could be further cut as a result of that expenditure review?

**Mr J.H.D. DAY:** I certainly hope it will not be further reduced compared with what has already been indicated in the budget. The issue is essentially about finding how these reductions will be met, whether that can be done without impacting on services to the community and whether it can be done through administrative savings, efficiencies and reforms of that nature.

**Mrs M.H. ROBERTS:** The question that I am asking is: is this agency review targeted at assisting the minister's department to achieve the efficiency measures that are already required of it or is it part of the Department of Treasury's remit to look for further savings that it might take from the agency?

**Mr J.H.D. DAY:** Over and above what has already been indicated?

**Mrs M.H. ROBERTS:** Yes.

**Mr J.H.D. DAY:** Perhaps I was not entirely up to date in what I just indicated. The director general just informed me that the review is looking at making further savings as well. Does Treasury see this as trying to be helpful? I am sure it does. It is not an easy process for the arts portfolio but this process is intended across a range of other agencies. I understand it has also been applied to the Department of Finance. There is no doubt that the state needs to provide services to the community more efficiently and effectively than is the case at the moment, given the revenue and expenditure pressures that we have and which have led to, following the substantial reduction in revenue, a \$2.7 billion predicted deficit in the next financial year across the whole state budget. That is the context in which we are operating. Obviously, the arts portfolio is a part of that process. Having said that, a lot is happening in the arts portfolio—it is certainly not a bleak situation at all. Everybody is aware of the major public events that occurred this year. PIAF was very successful, as was Perth's Fringe World Festival and *The Giants*, a major public arts street performance event that occurred. Many other performing and visual arts activities are also occurring. That is the general context in which we are working, but I will ask Duncan to elaborate on our future.

[5.10 pm]

**Mrs M.H. ROBERTS:** Can I just clarify something before Mr Ord responds? I am equally if not more concerned about the State Library, the Art Gallery, the Museum, the State Records Office and the other agencies within the portfolio.

**Mr J.H.D. DAY:** Exactly. In this whole process, they are part of that, of course. This is not just about the Department of Culture and the Arts; this is about those institutions which are, I agree, extremely important. That is where the major focus is. Given that a fairly significant proportion of the discretionary arts funding grants and annual support, for the want of the right term, that is provided to the funded organisations comes from the lotteries allocation, which is determined through the Lotteries Commission Act, and that cannot be adjusted without a change in the legislation, the focus is on the other parts of the portfolio so, yes, it does potentially impact on the Art Gallery, the Museum, the State Library, the State Records Office and the Perth Theatre Trust. That is something we are trying to manage. It is quite a significant challenge, but maybe better ways of doing things can be identified. I will ask Duncan to add a little more.

**Mr D. Ord:** On the agency expenditure review, the aspirational target is for a 1.5 per cent saving on top of the efficiency measures within the budget papers. It is an aspirational target, so the review is essentially an efficiency and effectiveness review. The focus is really on the administrative side of the portfolio and its agencies. There will not be a decision until the *Government Mid-year Financial Projections Statement*. It may not be, in fact, that the decision is to make any reductions; it could be, in fact, that there is a justifiable case for providing additional resources to meet some of the structural stresses. The aspirational target is, I guess, to ensure that there is a strong focus on justifying every amount of expenditure, as the minister has indicated, and that is what we are working towards.

**Ms S.F. McGURK:** I refer to the seventh dot point on page 342 of budget paper No 2, which relates to the arts leadership group. It is about halfway down the page and talks about the strategic directions of the sector. I want to know what effect the federal government's \$1.5 million cut to the budget allocation for the Australia Council

for the Arts will have. There was a fair amount of upheaval associated with that announcement. What effect does the minister think that will have on the WA arts sector and the way in which the state Department of Culture and the Arts operates?

**Mr J.H.D. DAY:** I will ask Duncan to add some more in a moment, but the outcome for Western Australia is not necessarily going to be negative; there may actually be positive effects for WA, but the details are still being determined by the federal government. Overall, there has been a reduction of \$110 million over four years in the core program funding for the Australia Council; that is across the whole country, of course. There will, however, be the National Programme for Excellence in the Arts, as the commonwealth government calls it, and as I understand it the federal arts minister is particularly interested in ensuring that there is sufficient support for the major organisations and for regional arts events; I think those are the two particular areas of focus. It remains to be seen exactly what the outcome for Western Australia will be, but we should bear in mind that we get just over six per cent of Australia Council funding at the moment, so that is not much more than half of our population share, if we look at it on that basis. There are a whole range of reasons for why that is the case, but there is perhaps an opportunity for Western Australia to do better out of that.

**Mr D. Ord:** The Australia Council and the federal Ministry for the Arts have not been able to complete their work on the impact on particular programs because ultimately the appropriation has not decreased at the federal level; it has been readjusted between agencies in many ways. The dollars that had previously been transferred under a previous government from the ministry to the Australia Council have been returned to the ministry, so it is a question of what impacts come out. They will announce that in a few weeks and we will have an opportunity to see whether there is any impact on particular arts organisations in Western Australia. With the ministry, we are of course arguing that as a ministry an equitable share of those resources on a state population basis would be a potentially appropriate response. As the minister has indicated, with the transfer of those funds back, Western Australia could potentially do significantly better. If certain sectors of the arts in Western Australia benefited from that arrangement, given that we are often a funding partner, we would have the ability through our organisation investment program to make adjustments to rebalance some funding between different sectors. Until we see the details, it will be very difficult to know what the net effect will be on companies or on the arts in Western Australia, but we will be making strong representations to the federal government at an upcoming ministerial council officials meeting in Canberra in the next couple of weeks.

**Ms S.F. McGURK:** Does the minister have a view on the policy decision by the federal government with regard to the Australia Council?

**Mr J.H.D. DAY:** It is a decision for the federal government, of course. I have not been involved, obviously, in the decision-making. I have certainly had meetings with the Chair of the Australia Council, Rupert Myer, on a couple of occasions when he and the CEO, Tony Grabowski, have been over here. They have been very interested in providing what support they can for Western Australia, as they need to do across the whole country, of course. They are certainly very decent and well-motivated individuals; I have no doubt about that at all. As I said, in relation to the actual decision by the commonwealth government, it may produce some benefits for Western Australia perhaps. I understand it may have some greater impact on some of the mid-level and smaller organisations, but whether that eventuates in Western Australia remains to be seen. The important thing is to ensure that it is not just an arbitrary personal favourite decision-making process on the part of the commonwealth government, and I have no reason to believe that would be the case. I am sure that Senator Brandis would not make decisions on that basis. If I were in that position, I would want good professional advice from a well-informed department, and I expect and assume that that is how he will make those decisions.

**Ms E. EVANGEL:** I draw the minister's attention to the first dot point under the heading "Asset Investment Program" on page 355 of budget paper No 2, and the reference to \$32 million allocated to the new Museum project. I am keen to ascertain the time line for the announcement of the shortlisted respondents to the expressions of interest that were put out in January. Can the minister also advise us of the time line for any announcements relating to this and whether there will be a final announcement later this year?

**Mr J.H.D. DAY:** The new Museum project is an extremely important one in the culture and the arts portfolio, and more generally for Perth and the whole state. No-one would disagree, I am sure, with the statement that the current Museum facilities in Perth are simply not adequate. The multi-level building on Francis Street that was found about 12 years ago to contain asbestos has now been demolished, so a lot of the space that the Museum previously had no longer exists. The Museum plays a very important role for the local community, telling the story of Western Australia to Western Australians, but it also plays a role for tourism purposes and for visitors to the state and, very importantly, plays an extremely important educational role for not only the wider community but also school-age children in the state. It is also a significant scientific research institution, particularly with regard to species research, natural history and so on. The need for a new and much improved Museum facility has been identified, understood and recognised for about 20 years or so now. Because of all the other pressures

across government and decisions that have been made along the way, it has for various reasons got close to the top of the list but then been pushed out by other priorities that governments have identified, including the construction of the Maritime Museum at Fremantle back in around 2000 or so, which I think was largely led by the need to accommodate *Australia II*, and the facility there is a good one, albeit an expensive one to operate. That is a long introduction. The new Museum project is on target. There was a request for expressions of interest from managing contractors—that is, builders together with architects—put out at the end of last year, and I am pleased to say that just today the shortlist of three was put out for the more detailed request for a proposal for us to then get to the position of identifying one of those three proponents. The first of the three successful proponents announced today to progress to the next stage of selection is Foster and Partners, which is the British-based firm that amongst other things designed the British Museum's Great Court in London, working with local architects Hames Sharley, and that is led by John Holland as the construction company. The second successful group is Ateliers Jean Nouvel, which, amongst others, built the Musée du quai Branly in Paris, working with local architects Cameron Chisholm Nicol and Parry and Rosenthal Architects, and that is led by Doric Group and Tecnicas Reunidas as the builders. The third successful proponent to get to this stage is the architectural firm OMA, which built the Musée national des beaux-arts du Québec, working with local architects Hassell, and led by Brookfield Multiplex. To get to this stage is very significant. It follows the allocation of \$428 million in the budget three years ago now. I am pleased we are at this stage. It would be wonderful for the project to be a bit more advanced, but there are a lot of pressures across government for the construction of new facilities, and I can assure members the fact that this one is still in there has not happened by accident by a long way. I look forward to this process now being undertaken and us hopefully getting to the stage of selecting one of the three successful proponents by the end of the year. I hope that we will be in a position to sign the initial preconstruction contract around the end of the year, with some initial works commencing around the middle of next year, to be on target for the new Museum to be open to the public in 2020. This is a significant commitment by the government in a time of major financial pressures. It has been easy for this project to slip off so many times, but I am very determined to make sure it does not.

[5.20 pm]

**Mrs M.H. ROBERTS:** I note that the member for Perth referred to page 355 of the *Budget Statements* and the new state Museum under the heading “Works in Progress”. There is an estimated total cost of \$428.3 million. The estimated expenditure for this year is \$15.821 million and the budget estimate for next year is \$32 million. There is also reference in the budget papers to the new Museum project and money from that project being expended at Welshpool and on the heritage buildings within the Perth Cultural Centre Precinct. Can I have a breakdown of what that \$15 million has been spent on this year at Welshpool and on the heritage buildings; similarly, what is the allocation of the \$32 million for 2015–16?

**Mr J.H.D. DAY:** It is correct that the works at Welshpool and the facade of the heritage buildings at the Perth site are part of the overall project. It has always been intended that the work would be funded out of the \$428 million. That is the total project. It is a package and what is being done at Welshpool is really an integral part of the development of adequate Museum facilities for the Perth site, together of course with the restoration and maintenance of the facade on the heritage buildings. There is work underway at Welshpool on both locations. As the member has said, at the moment that is where the majority of funding would have been expended in 2014–15, and for 2015–16 it would be the majority of the \$32 million. We can provide by way of supplementary information a breakdown to some extent.

**Mrs M.H. ROBERTS:** I had heard that potentially the money for the Shipwreck Galleries project at Fremantle was in the funding for that project as well; is that correct or not?

**The CHAIRMAN:** Let us just clarify the supplementary information, please, minister.

**Mr J.H.D. DAY:** We will provide a breakdown as far as reasonably possible of the expenditure on the new Museum project for 2014–15 and 2015–16.

[*Supplementary Information No B64.*]

**Mr J.H.D. DAY:** I will ask Duncan to advise how the Shipwreck Galleries work is being funded.

**Mr D. Ord:** The Shipwreck Galleries work has been funded through the asset maintenance budget. A new appropriation was established some 12 months ago or thereabouts over the forward estimates, which has enabled some major catch-up work on infrastructure priorities across the portfolio, including His Majesty's Theatre fire upgrades and so on. One of the major projects for this year was maintenance work at the Shipwreck Galleries. That work is underway and it has not been funded out of the new Museum project budget.

**Mrs M.H. ROBERTS:** I note that on page 343 there is reference to the Perth Theatre Trust resuming direct management from AEG Ogden for the various venues and that the West Australian Symphony Orchestra has

taken over management responsibilities for Perth Concert Hall in 2015. I also note that elsewhere in the budget papers it states that, as a result, attendances are well down at the Concert Hall. In fact, page 352 states —

The increase in Average Cost per Attendee is a result of the significant drop in attendance numbers resulting from:

And there is reference to the work at His Majesty's Theatre, but it also states —

- PCH figures are not being recorded from 1 January 2015 as the WASO now manages the venue.

I am not sure whether that means fewer people are going there. Could I get that clarified? Further, is the Perth Theatre Trust now managing the Albany Entertainment Centre; and, if not, how is the Albany Entertainment Centre being managed and what is the allocation for it?

**Mr J.H.D. DAY:** Yes, the Perth Theatre Trust is managing and operating the Albany Entertainment Centre. I am not sure about the allocation to that; I will see whether we are able to find that. Yes, Perth Concert Hall is being managed by the WA Symphony Orchestra in agreement with the Perth Theatre Trust. I am not of the understanding that the number of people visiting Perth Concert Hall has decreased; it is just that the number of people recorded as visiting Perth Theatre Trust-managed venues has been affected, so it is an artificial change. I think it would be better if the Perth Concert Hall figures were still included; it would make more sense to me, to be quite honest, and maybe that can be looked at for next year. There is a sort of divide in management responsibilities now to some extent, but that can be reviewed.

**Mr D. Ord:** Because the Concert Hall management took over part way through the financial year, we will not get the attendance figures until the end of this financial year, so they were not incorporated in the budget papers for the Perth Theatre Trust. Our understanding is that the attendances at the Concert Hall are on track. Our understanding is that the total attendances across Perth Theatre Trust venues and the Perth Concert Hall will be similar to if not slightly greater than last year's. Overall, the transition has not led to any loss of patronage across any of the venues, and we will be able to provide figures at the end of the financial review and year.

[5.30 pm]

**Mr J.H.D. DAY:** I should just add that the West Australian Symphony Orchestra is very keen to activate the concert hall and increase its surroundings, not just in the hall itself, much more so and to my knowledge they have been doing that. They have certainly changed the catering arrangements and produced more flexibility and options for visitors there, and no doubt they are continuing to do that. If WASO has not met with the shadow minister, then I would be surprised—they have by the sounds of it.

**Mrs M.H. ROBERTS:** No, they have not.

**Mr J.H.D. DAY:** They have not? Maybe they would like to provide a briefing on what they are doing perhaps. In relation to Albany —

**Mr D. Ord:** Albany is being managed through the Perth Theatre Trust. The allocation is through royalties for regions, and for 2014–15 it was \$690 000 and there was a contribution from the City of Albany of \$400 000. The Department of Culture and the Arts is meeting the general maintenance costs on top of that. The budget papers allow for the continued management of the Albany Entertainment Centre by the Perth Theatre Trust, or other arrangements entered into for the next five years. We need to enter into a formal agreement with the City of Albany, which I will be instigating as soon as the general manager of the theatre trust recovers from the operation that he is having this week. We intend to share the costs of operating the venue 50–50 between the City of Albany and the state government, with the state government having responsibility for the maintenance of the facility for the five-year interim period.

**Mr J.H.D. DAY:** As the member would be aware, the original intention and advice from the City of Albany was that it would be able to fully operate the Albany Entertainment Centre, going back 10 years or so. Its aspirations were more than it could achieve—maybe there is a lesson in that—but the state has ended up holding the baby, essentially. Having said that, it is a good facility and it is well used and it is of great value, no doubt, to the people of Albany, and also the great southern.

**Mrs M.H. ROBERTS:** My further question is that effectively in one sense the Department of Culture and the Arts has taken on the liability there, although as the minister pointed out, it is getting \$690 000 from royalties for regions and \$400 000 from the City of Albany, which is nearly \$1.1 million. If that is absorbed into the arts budget and it is taking that on, the overall budget does not increase by much, which indicates that the department's budget is going backwards, rather than being static as is claimed.

**Mr J.H.D. DAY:** With this agency expenditure review process underway and efficiencies that have to be found with procurement savings and so on, I am not sure what the overall impact is on the actual outcome. It is a bit

hard to make year-to-year comparisons to some extent because there can be one-off variations that produce an uneven result.

**Mr D. Ord:** It is appropriations arising as a result of the additional funds.

**Mrs M.H. ROBERTS:** Are there any other cost centres that the Department of Culture and the Arts has taken on in the last 12 months, other than the Albany Entertainment Centre?

**Mr J.H.D. DAY:** No is the short answer, and also the long answer, I think. We have had responsibility for Albany since it opened four years ago or so. There are no additional facilities that are being operated.

**Ms S.F. McGURK:** I will also peg this question to the seventh dot point on page 342 about the strategic directions framework. There was some public discussion earlier this year about the number of live music venues in the state, what is happening with those and what role government is playing and could play to ensure that there were adequate mid-level music venues for the public to go to, but also to encourage emerging artists. Those venues have a role to play there, and I just wondered if the minister could comment on what the government is doing to ensure those venues are still operating.

**Mr J.H.D. DAY:** Yes. There has been a review undertaken of live music venues by the department that has been provided to major stakeholders for comment prior to it being put out publicly. Based on that review I am advised that there is actually no evidence of a decline in the number of live music venues in Western Australia, partly because there is no reliable benchmark. Certainly, there have been changes. Where there are identifiable closures, there is no evidence that these are due to anything other than natural fluctuations in the market. The most distinctive and identifiable trend in WA is a clear reduction in live music venues in outer metropolitan localities since 2008, in which there have been 23 closures and only two new venues to replace those. That needs to be fully investigated. I just point out that the contemporary live music sector in WA has benefited from the quite substantial state government investment over the years, together with quite a bit of local government involvement in some cases, and also policy decisions at the state level.

A very good live music event was in the Perth Cultural Centre over the WA Day weekend, a couple of weeks ago. It was the State of the Art festival, involving a whole range of Western Australian bands, from less-known ones to very well-known ones. It provided a lot of opportunities for audiences and it is only the third year of its operation but I think it would be good if more people realised what was there, because there is ability for more people to attend, albeit that the attendance built up during the day quite substantially. That is the general situation.

**Mr D. Ord:** The report the minister refers to will be completed next week. We have provided, as the minister said, a review to the sector ahead of the ability to release it publicly. It supports the minister's notes there. Western Australia has the highest participation in contemporary music in Australia per head of population, so we have a very vibrant scene. Fremantle has gained music venues; actually, Fremantle and Northbridge. It was around Northbridge and the potential closure of The Bakery that created quite a bit of consideration, but we are confident The Bakery will be replaced by other options that are emerging and will be disclosed in the report. The minister mentioned outer metropolitan venues. There are also changes in the pub scene around the changing nature of some residential development and changes in hotels around the mix of hospitality and live music options. They are the things that we feel probably need some planning and other solutions to ensure that we do not have greater loss, or that we encourage new venues to open up. Overall, the scene is very healthy and statistics are indicating it is actually a growing market.

**Ms S.F. McGURK:** If it is a growing market, which the public meeting that the member for West Swan, the member for Victoria Park and I attended earlier this year indicated, then it has a role to provide the public with a variety of events that are available throughout the year and not just focused on festival time, so there is somewhere for them to go during the year as well. That is important for emerging artists.

At the beginning of the minister's reply he said that the evidence is that there is not a decline in venues. Is that the conclusion the minister is coming to—that there is not a problem?

[5.40 pm]

**Mr J.H.D. DAY:** Not necessarily. I have not received the report itself, and I will be interested to see what it states in more detail. Obviously, some geographical changes have occurred and that is a bit of an issue, but overall there are quite a lot of opportunities, it would seem. It is primarily an issue for the private sector to address, and it is doing that in a lot of cases, but in whatever way we can we will look at providing assistance or support in a reasonable manner through government mechanisms. But maybe it is a matter of providing information and facilitating.

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**Mr D. Ord:** I met with the Mayor of the City of Perth, who is particularly interested in this issue, and with the industry sector, represented by West Australian Music, and the view of the stakeholders is that it is a market issue, and that when music venues close, there tends to be a lag before the market responds. From the time of the announcement that The Bakery would be closing, a number of submissions have been made around opening new music venues in Northbridge, so the belief is that there is a market response to a change in the mix of venues. People were concerned that because of the scale of venue required—that is, for around 400 persons—there is a gap, because historically these venues tend to be in heritage buildings, and I guess there is competition now in the housing market, with apartments and so on, for this type of infrastructure. We believe that we will need to keep an eye on it from a planning perspective. Therefore, part of our recommendations is greater engagement with the minister's other portfolio to ensure that when we look at planning schemes and other things, we retain a mix of facilities in future developments so that the natural densification of the city in terms of living does not squeeze out some of the types of facilities that music traditionally has occupied. We think the solutions lie in that space.

We emphasise most of our funding on the development of emerging artists. We asked the sector whether it wanted a change in the funding mix whereby we moved some of that money more towards the market end, and the response was no; it thought we had the funding mix right and that we were putting our investments at the right stage of career development and the right stage of the development of music groups and bands and their market. The sector was not seeking to reallocate funding towards the venue issue. It was more a strategic engagement with local government, planning and the entrepreneurial sector—the WA Hotels Association and so on—to make sure that there are not any unintended consequences from the changing nature of development in the state.

**Ms S.F. McGURK:** On a point of order, Chair, I am almost certain the member for Churchlands and the member for Bateman are not talking about the arts over there. I could be wrong.

**Mr S.K. L'ESTRANGE:** I am waiting to get the call, Chair.

**Ms S.F. McGURK:** It is a bit distracting.

**The CHAIRMAN:** Member for Bateman, now is your chance, because you are next.

**Mr M.H. TAYLOR:** Thank you. I am sorry to interrupt the future Minister for Transport!

**The CHAIRMAN:** Let us stay focused, members!

**Mr M.H. TAYLOR:** Thank you very much, most honourable Chair.

I refer to the fourth dot point on page 342, which outlines the department's new online grants system. Can the minister please explain how this system is making it easier for individuals and organisations to apply for funding?

**Mr J.H.D. DAY:** The department has developed the ability for people to now apply for grants online. It has simplified and expedited the process. The system has been launched. It enables applicants, including individuals and groups, to apply from any web browser. Applicants can pause or resume their application at any time, and they can request feedback from DCA staff via the system. Once an application is submitted, users are able to track the progress of their application via the web portal, including notification of the outcome of the assessment, and information on payments and the submission of quarterly reports. The system not only makes it simpler for people to apply for grants but also provides a processing system for the department that is more efficient than the previous paper-based system. It also provides a secure portal for the peer assessors to access and assess applications and obtain their support materials. Therefore, it is one step towards providing greater efficiency within the department and reducing red tape for applicants for grants through the arts portfolio. I congratulate all those who have been involved in developing the system.

**Mr M.H. TAYLOR:** Thank you, minister.

**Mrs M.H. ROBERTS:** Minister, I refer to page 342 of the budget papers, the third dot point from the bottom, which states —

Increasingly, collection items acquired by the State Library through legal deposit, donation or purchase will be in a digital format. There is also a program to digitise important heritage collections to make them widely available. To adequately store and preserve these documents for future generations there is a need for a digital preservation management system. The State Library is investigating the available technology and processes, as well as opportunities for collaboration with other agencies as well as State libraries across Australia.

I refer also to page 571 of the 2012–13 budget papers, which states —

To implement new legal deposit legislation that will ensure the preservation of the State's documentary heritage collections, the State Library will conduct an extensive consultation program with stakeholders to develop regulations.

I put it to the minister that these investigations have gone on for at least three years. Surely it is time for the minister to do something rather than just say every year that he is going to investigate it.

**Mr J.H.D. DAY:** I agree that this is an important issue. The regulations for the depositing of physical materials came into force on 1 January last year. That brings Western Australia into line with the other states. The State Library of Western Australia consulted with stakeholders in 2014 to further inform the development of the regulations for the legal deposit of digital materials and will be moving into the drafting stage of the regulations for that aspect. In preparation for the depositing of digital materials, the State Library is scoping the system requirements for a digital preservation system to receive and preserve digital material for future generations. So in fact action has been taken since these comments of a couple of years ago. The State Library is working on this area and looking at what options are available, and drafting regulations for digital deposits.

**Mrs M.H. ROBERTS:** Does the minister have any money at all on budget this year or in future years for a digital preservation management system?

**Mr J.H.D. DAY:** No additional funding has been provided. Whether there is capacity within the State Library's existing budget for more to be done in this area, I am not sure. However, that is one of the options that is being looked at and presumably one of the issues that will be addressed through the agency expenditure review, because it is an important area given the amount of digital material that is now produced.

**Mr D. Ord:** I can inform the member that the Western Australian Museum, the State Library of Western Australia, the Western Australian Art Gallery and the State Records Office have been developing digital preservation and access programs—many in partnership with other institutions in Australia, or, in the case of the State Records Office, providing a national lead in the development of programs. This is all being funded out of the recurrent budget. They are being very diligent in how money is spent, and that is why it has taken quite some time, because they are essentially using small amounts of their budget each year to do a small amount of the work within the staff that they have and without engaging major consultancies or putting out major contracts to get the work done; we have a lot of expertise in those agencies. One of the things that we will be looking at in the agency expenditure review is the opportunities to further strengthen the digitisation of our collections by potentially looking at synergies between the portfolio agencies so that we can use the funds. There is about \$7 million spent across the portfolio on information services and information management. We therefore believe that there are opportunities within that to find further efficiencies and potentially seek to have those reinvested to speed up the completion of some of the digital platforms.

[5.50 pm]

**Mrs M.H. ROBERTS:** Further to that, does the minister or Mr Ord have any idea of the actual quantum of money that would be necessary for a proper digital preservation system to be set up, perhaps based on what the costs have been in other states or the like? I also ask: how many full-time equivalent staff in the Department of Culture and the Arts are currently involved in digital preservation?

**Mr J.H.D. DAY:** They would be FTEs within the institutions.

**Mr D. Ord:** We could take that on notice.

**Mr J.H.D. DAY:** The cost of putting in place a new system is probably pretty open-ended. There is probably a range of ways in which that could be done. I would love for there to be more funding made available for this purpose and for many other activities in the arts portfolio, but the reality is that we need to operate within our overall financial constraints. The needs in the arts portfolio are strongly argued for by me and by the department with Treasury, and of course by my office in supporting me in my role. That is a general comment.

**Mrs M.H. ROBERTS:** Further on that, I put to the minister that there are people with valuable items and collections that they would like to deposit and they need to have confidence to do that.

**Mr J.H.D. DAY:** Yes.

**Mrs M.H. ROBERTS:** I do not think at the moment they can.

**Mr J.H.D. DAY:** I will take that as a valid comment. I will seek more information from the department and from the State Library of Western Australia about what is happening in this area. I will try to make sure that we are at least staying up with the game.

**Mrs M.H. ROBERTS:** And the FTEs?

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**Mr D. Ord:** Certainly each of the agencies have a plan within their strategic plan for how they are dealing with the digital demands on their agency's work. In terms of whether they have quantified future budget requirements around specific program needs, I am not sure, but we can certainly request that information from them. In terms of the FTE applied to the area, we have analysed that recently for the agency expenditure review, so we would be able to provide to the member the number of staff engaged in digital preservation.

**Mr J.H.D. DAY:** We will provide that information on the number of staff by supplementary information.

[*Supplementary Information No B65.*]

**Mrs M.H. ROBERTS:** I have a further question on that. Does the minister have any idea of the volume of the backlog of the heritage collection in the library, for example, that needs to be digitised?

**Mr J.H.D. DAY:** The library is progressively working through that in its current operations.

**Mrs M.H. ROBERTS:** I am told very, very slowly, that is all—snail's pace slow. I suppose the concern I am raising is that there will be further deterioration of the heritage collection while it awaits digitisation. Also, those materials are not accessible to the WA public, so we have this fabulous collection there that is not accessible because it is not digitised.

**Mr J.H.D. DAY:** A lot of the collection is accessible, I understand, but I guess there are some particularly rare items that would have only quite restricted access. I am sure that a lot more needs to be done in this area and the library is doing whatever it can. As to whether there is an unacceptable backlog, as I said, I will get updated as to where things are at.

**Mr D. Ord:** Certainly, as the member would be aware, the library is engaged with things like Trove and national archives technology around digitalisation. There is increasing interest from the private sector, so recently the State Records Office of Western Australia has entered into agreements with Ancestry.com in that the library actually pays for record sets to be digitised. Obviously the state retains a digital copy. It is done to archival standards. We set the standards for digitisation and those copies are then available for both the private sector and the community, so we retain free rights to distribute freely to the community. We are certainly looking at every opportunity to speed up the digitisation across all areas of our portfolio. We are very fortunate that sponsors have been initially assisting us: the Art Gallery of Western Australia of course with Rio Tinto through the Desert River Sea project of digitisation of artworks from the Kimberley and so on is adding to the types of digital parts of the collection that people can access online, which will be a major feature of the new Museum project. It is particularly difficult with archival records, as the member would appreciate, because of the complexity of dealing with fragile documents, but we do have a prioritisation program. We do not believe that we are at risk of losing records at this stage because of not taking an adequate view to preserve them where digitalisation is a preservation technique that would enable us to do that. However, we will certainly be seeking innovative ways of finding additional funds to speed it up.

**Mr S.K. L'ESTRANGE:** Changing tack slightly, minister, I refer to page 346 of the budget papers and the key effectiveness indicator relating to the public value of arts and culture to the state. Can the minister explain some of the work that is being done to measure public value and how it will benefit Western Australian arts organisations?

**Mr J.H.D. DAY:** There has been some quite innovative work done in the department in this area, which is now being used internationally through the collaborative process that has been put in place. It is actually specifically known as the Culture Counts project, and it provides a framework, a mobile application and a web portal system, which has been established to capture, analyse and report on public, peer and artists' response to an artistic event in real-time. The way it works, in short, is that people survey the patrons after they have attended an event—whether it be visual arts, performing arts or whatever. The answers are fed into electronic media virtually instantaneously and the information is collated on people's response about whether it has been enjoyable, engaging, informative or whatever the case may be. It is able to provide quite rapid feedback to the arts organisations about what is effective, appreciated and working well. It is actually a system that is currently in use in England, Scotland, Queensland, Victoria and New South Wales. It is available free of charge to DCA-funded organisations. It has been developed in conjunction with the private sector. I cannot remember the name.

**Mr D. Ord:** It is Pracsys.

**Mr J.H.D. DAY:** It is Pracsys—to give it a plug, I guess. However, what has been done in DCA has been really quite innovative. David may want to add to it briefly.

**The CHAIRMAN:** Through the minister, Mr Ansell, but very quickly because I know that the member for Midland has a question.

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 11 June 2015]

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**Mr D.N. Ansell:** Effectively, one of the issues we have had with the information system in the arts has been measuring artistic quality. Often that leads to disagreement, particularly regarding funding decisions. So, it provides benchmarked information that we can use to provide, initially, feedback to the artists and the artist organisations, but also to benchmark some of our grant programs.

**Mrs M.H. ROBERTS:** Towards the bottom of page 341 of the budget papers, there is mention of a targeted voluntary separation scheme. How many people had taken up that scheme by the deadline of 30 April 2015; and how does that impact on the forward estimate allocations there for the targeted voluntary separation scheme? Basically, are the number of redundancies in line with that?

**Mr D. Ord:** There were 12 separations, which I think worked out at around nine FTE because a number of them were part-time staff. Once the separations took place, that salary line then left the portfolio in the forward estimates, so the forward estimates have been reduced by the salaries of those 12 employees. Six of them were Department of Culture and the Arts employees and six were employees of the Western Australian Museum.

**Mrs M.H. ROBERTS:** A further part really is: will there need to be more to meet the budget?

**The CHAIRMAN:** The minister must be very, very quick; he has about 10 seconds.

**Mr D. Ord:** Not at this stage.

**The CHAIRMAN:** We are dealing with division 31. The question is that the appropriation be recommended.

**The appropriation was recommended.**

*Meeting suspended from 6.00 to 7.00 pm*