

Division 36: Local Government, Sport and Cultural Industries — Service 2, Local Government, \$14 494 000 —

Mr S.J. Price, Chair.

Ms R. Saffioti, Minister for Transport representing the Minister for Local Government.

Ms L. Chopping, Director General.

Ms D. Merritt, Executive Director, Regulatory Reform.

Mr T. Fraser, Executive Director.

Mr L. Carren, Chief Financial Officer.

Mr C. White, Director, Programs, Infrastructure.

Mr B. Hennessey, Acting Chief of Staff, Minister for Local Government.

Ms J. Colli, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof *Hansard* will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with these details. Some divisions are the responsibility of more than one minister. Ministers shall only be examined in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by close of business Friday, 3 June 2022. If a minister suggests that a matter be put on notice, members should use the online questions on notice system.

Ms R. SAFFIOTI: I am representing Minister John Carey today.

The CHAIR: Thank you, minister. I give the call to the member for Roe.

Mr P.J. RUNDLE: I think this first question for the Minister for Transport is sort of in her mode anyway. I refer to page 546, under “Ongoing Initiatives”, and under that section is the line item “Off-Road Vehicle Special Purpose Account”. There is \$538 000 in the 2022–23 budget that then drops down in the subsequent three years. How will those funds be spent?

Ms R. SAFFIOTI: This is a joint initiative between the Department of Transport and this department of local government. I think everyone recognises the increased activity of off-road vehicles. We are trying to create a system of registration. In this instance that funding is allocated between the Department of Local Government, Sport and Cultural Industries working with the Department of Transport about how we can have a more efficient registration process. There is an existing paper-based system, which is a key hurdle for attracting registrations. This is about creating a new system, fixing the registration system and working with the Department of Transport in creating a new electronic registration system.

Mr P.J. RUNDLE: Considering the off-road vehicle fees that are collected annually, can the minister please advise where these funds are going? Are they being disbursed into the off-road vehicle account?

Ms R. SAFFIOTI: Yes, they are and they are being expended on particular projects. For example, in recent years, funds from the account have been used to create a beginners flat track trail at Pinjar, upgrading the trails at the York and Pinjar off-road vehicle areas, improving road access and signage at the Lancelin off-road vehicle area, and, pending approval, other projects around the state. Funds have also been expended to develop a concept plan for a new area in the metropolitan area and undertaking new site assessments for potential areas. This has been an issue for many, many years. The Department of Transport, together with this agency, is working on how we can create new areas for off-road vehicles and also have a better registration system.

Mr P.J. RUNDLE: How much is actually in the off-road vehicle special purpose account at the moment?

Ms R. SAFFIOTI: Page 546 shows the expenditure of the funds. In relation to the current amount sitting in the account, I might need to take that on notice. Approximately \$770 000 is in the account.

Mr P.J. RUNDLE: The minister mentioned the Lancelin site. Can she enlighten us about the future of the Lancelin site and concept plans?

Ms R. SAFFIOTI: For this financial year, \$73 000 has been approved to enhance road access to the Lancelin off-road vehicle area and to develop a concept plan for Metro Road, which is in the Shire of Brookton, a potential off-road area gazetted site.

Mr P.J. RUNDLE: Can the minister tell me when the Back on Track strategy will be implemented?

Ms R. SAFFIOTI: We can provide some further information, but as I understand it, it is an ongoing program that we are delivering. These sort of projects help deliver that strategy, and as I said, this is an area both the transport agency and this agency are working on together. I will throw to Tim Fraser to provide some more information on that strategy.

Mr T. Fraser: Thank you, minister, and I thank the member for the question. The Back on Track strategy is also part of what the off-road vehicle ministerial advisory committee has been working on, identifying not only the new sites but also working so that the committee, over the next six months, is developing up sites, working with a consultant to identify sites to further develop the expansion of the ORV in the area, and also developing up a maintenance program as part of that strategy. One of the key areas, such as Lancelin and others, has been ongoing maintenance and safety. As part of that strategy, the committee is actually working to develop new areas and identifying those as dedicated ORV. That work is ongoing through the committee at the moment.

Mr P.J. RUNDLE: Thank you very much. I am sure they will be pleased to hear that. The progress of the online registration account, has that been developed or is that progressing well?

Ms R. SAFFIOTI: Yes, it is currently being developed. I do not have an exact date on when it is going to be finalised but that registration process is underway.

[4.40 pm]

Mr R.S. LOVE: I refer to page 546 of budget paper No 2, volume 2 and the second item under “Service Summary”, “Regulation and Support of Local Government”. I note that there is a decline in the costs or the resources for the regulation support of local government in 2022–23 as opposed to 2021–22.

Ms R. SAFFIOTI: Sorry, what page—546?

Mr R.S. LOVE: Page 550. Did I say 546? It is page 550; I am sorry. Under the second line item, “Regulation and Support of Local Government”, we see a decline of some millions of dollars in support for local government. What is the reason for that reduction of what seems to be a fairly long-term established trend of \$16 million in 2021, \$18 million in 2022 and roughly \$14.5 million in this current budget year?

Ms R. SAFFIOTI: Just to clarify, the member is asking for the reduction of funding or the change in funding from \$18.42 million in 2021–22 to \$14.4 million in 2022–23?

Mr R.S. LOVE: Yes.

Ms R. SAFFIOTI: This relates to the ending or finalisation of some significant projects. In 2021–22, for example, significant funds were allocated for the consultation and drafting of legislation for the puppy farming transition and project funding. That funding was allocated in 2021–22 and does not exist next year. There are no cuts in normal operational funding, but more specific projects that have a finite life. That is what happened in 2021–22.

Mr R.S. LOVE: Further to that—this pertains back to page 546, because there is a regulatory reform package in there—does that form part of the second line item that we just discussed, that \$14 million, or is that separate from that and in some way different?

Ms R. SAFFIOTI: The regulatory reform, that spending change shown on page 546, crosses a number of different service sectors, for example, the local government sector and liquor, racing and gaming. There is money allocated for reform that is allocated across the different service sectors across the department. As I said, the movements from year to year is specifically the end of finite election commitments. There was \$1.2 million allocated for all consultation and preparedness for the puppy farming legislation. That has a finite life as we move into the establishment of that system.

Mr R.S. LOVE: Pertaining to my original point on regulation and the fall in support of local government in the second line item on page 550, the minister has explained a couple of programs that have come to an end or been developed, but at the same time, we are about to launch a review of the act and a complete overhaul of the way local government operates with a reduction in resources for the department. Already, the expectation is that there will be a development of an inspectorate and moderators and a whole range of matters that will be an ongoing responsibility of the department.

Ms R. SAFFIOTI: Sure.

Mr R.S. LOVE: Whichever way they are delivered, whether it is a standalone inspectorate or whether it has a staff housed within the department, that work will have to be done. How does that correspond with the reduction in resources being made available to the department in this budget?

Ms R. SAFFIOTI: Firstly, there has been no reduction made available to the resources of the department; this area is not receiving any budget cuts. We are saying that the movement in that expenditure reflects the end of finite programs. They are one-off programs or election commitments that had funding attached and do not exist in the

forward estimates. There are no cuts to the operational funding of the department. In respect to funding of specific reform initiatives that will come out on the finalisation of the local government reform program, that funding will be considered once that reform program is finalised. As the member outlined, there is a number of different proposals or options that are being considered. Once those are finalised and brought through to Parliament, we will be funding those appropriately through either midyear review or budget processes. We will need to finalise all the consultation and formalise the final program of reform and then, further funding will be provided.

Mr R.S. LOVE: Yes. I thank the minister for that. That is a good explanation, but the minister will be seeking further funding. Is that written in the budget documents somewhere that there will be an expectation of extra funding? I would have thought that would have been reflected in the budget rather than just be something drawn out by discussing estimates.

Ms R. SAFFIOTI: No; I think it is like all concepts. Normally, once final legislation is approved and we have an understanding of what is actually involved, we are then able to do the detailed estimates and provide funding. As I understand, that is the normal case of drafting legislation. There are also existing systems that may be, in a sense—what is the word?—replaced with new systems. I am not sure of all the detail but there will definitely be new processes. How that is funded and additional funds will be considered as part of future processes. That is pretty much the norm in relation to when legislation is brought in. We normally have to understand what the legislation entails, exactly what are the budget requirements and also the impact on existing FTE and any requirements for new FTE. That is a normal thing for new processes. For example, as part of planning reform, I have not injected funds for new processes that have not yet been agreed, so, as a result, that happens through the normal budget and midyear review processes.

Mr P.J. RUNDLE: On page 560, at paragraph 2.7 it has \$250 000 for the Western Australia centralised registration system for the puppy farming initiative. What is the time frame around that implementation?

Ms R. SAFFIOTI: As we know, the legislation received royal assent at the end of last year. I think one of the immediate impacts was to remove the requirement of the muzzling of greyhounds, as I recall.

The CHAIR: Yes, there was.

Ms R. SAFFIOTI: We are now going through ensuring that the regulations and the registration process are put in place. I do not have a definite time for when that is likely to happen, but work is underway in establishing a registration process.

Mr P.J. RUNDLE: Yes, I remember the Deputy Speaker's speech on that. Regarding the funds for local governments to administer the system as part of the arrangement—which was concerning to our local governments as they will be loaded up with implementing the system—will they be receiving moneys from the department to administer this system?

[4.50 pm]

Ms R. SAFFIOTI: I am seeking advice on that matter. My advice is that we do not expect a significant increase in workload for local governments, there are existing arrangements through their rangers and other processes are in place. In fact, it could be said that through a centralised registration system there may be better clarity in monitoring this issue in the suburbs. Local governments, councils and rangers already get a number of calls in relation to pounds. I know, for example, in my electorate, there was a very significant issue in what people thought about the conduct of a pound where dogs, in particular, were dropped off. There is already an existing compliance program that local governments undertake, and we expect that their existing arrangements will be able to support the new registration system.

Mr P.J. RUNDLE: With all due respect, that was not the feedback that we were getting from our local governments during that debate. Has a fee been resolved in consultation with the department and local governments? I just do not think it will be able to be absorbed into the ranger duties.

Ms R. SAFFIOTI: As I said, initially it was not felt that there will be significant workload. Further consultation is happening about the registration system, so there is continued consultation. Also I have further notes saying that local government already manages registration and accepts fees. They will continue to accept the registration fees for animals, but, as I said, we do not expect the workload to change significantly. There is further consultation happening but, in my experience in working with local government on transport, for example, the state does a lot of work in some spaces, and this would be just a core part of business that local governments should and will be undertaking.

Mr R.S. LOVE: This question could be thrown out as being out of line or not in the right spot, but we are already talking about dogs. I refer to page 564, third from the bottom of all those controlled grants and subsidies is a program for guide dog breeding. I have no idea in which of the many parts of the Department of Local Government, Sport and Cultural Industries I would ask the question about the guide dogs, so I will ask the question. There was \$5 million allocated in a particular year and nothing since. Were guide dogs successfully bred and why are there no more guide dogs to be bred? There is no more in the budget.

Ms R. SAFFIOTI: This was implementation of an election commitment to Guide Dogs WA to assist in setting up a world-class breeding program. The grant has been paid. The funding is to assist Guide Dogs WA to meet the growing demand for not only guide dogs but also specialised autism assistant dogs, therapy dogs, dementia dogs, court dogs and post-traumatic stress disorder dogs, and to resume a cadet training program. The funding is intended to cover the building fit out; specialised staffing costs; breeding program setup and running costs; cadet training program; increased fleet for fit-for-purpose vehicles; international working guide dog register database fees; specialised whelping and puppy equipment; bed costs; purchase of top-quality breeding females and associated travel costs; and other costs to assist with that program. This payment has been made in full to Guide Dogs WA. It was a one-off funding injection to assist it into breeding more guide dogs and associated dogs in WA.

Mr R.S. LOVE: I do not want to sort of conflate the stopped puppy farming and the sterilisation of dogs with the guide dog breeding programs. It is pretty ironic, really, but congratulations for achieving that program. The Nationals support that policy and we are greatly pleased to see it happen.

Turning to the service summary again on page 550, there is the second line item, “Regulation and Support of Local Government”, and again, I refer to the decline, whether or not it is a cut; the minister may not accept the decline in funding in that area. I am talking about the changes that will be forced on local governments to implement the government’s desire to see them transition from the federal to the state industrial relations system. Local governments have told me that they believe that will collectively cost local government in the order of about \$15 million just to implement. I am wondering whether there will be any support for the sector through the department in making that transition which is, in effect, being brought about by legislation of the government and not the desire of local government, but they accept that is the way the government wants to go. I would have thought it would probably be incumbent on the government to provide some support to develop that transition process.

Ms R. SAFFIOTI: This policy has been implemented outside this portfolio through the Minister for Industrial Relations portfolio. It will be under Bill Johnston. I note that many CEOs of local governments are paid more than the Premier. So, in relation to costs for the taxpayers, I would say there is a concern across a number of different issues in relation to payments that have been made to people in local government.

Mr P.J. RUNDLE: I again refer to page 564. The Connecting Country program and the commitment to Aboriginal wellbeing are referred to about halfway down the page.

Ms R. SAFFIOTI: Sorry, member; that is in culture and the arts. That is not in this service, sorry.

Mr P.J. RUNDLE: Okay, very well. If that is the case, I refer to “All Abilities Playground Forrestfield” on the same page. It was budgeted for \$1 million in 2021–22, but it was not delivered. I am assuming the local member did not go out there and knock it up himself! Can the minister confirm that this project has been delayed?

Ms R. SAFFIOTI: Sorry; that is in sport and recreation. It is a bit tricky.

Mr R.S. LOVE: I would just like to ask a question on salaries and allowances. Could the minister detail the number of staff employed within the Department of Local Government, Sport and Cultural Industries and provide a breakdown. The table under “Regulation and Support of Local Government” shows the number of full-time equivalent employees.

The CHAIR: What page?

Mr R.S. LOVE: This is on page 553.

The CHAIR: Thank you.

Mr R.S. LOVE: It refers to “Supporting local governments to fulfil their statutory obligations”. FTEs are mentioned in that service table. What I would like to know is: when the minister gives a figure of an employee, are they hybridised? Are they working in different areas of the department? An inspector or a regulator or the like might be working in, say, liquor or gambling or local government. I am trying to get an understanding of whether these positions are wholly centred on local government or whether they are involved in a variety of different services areas throughout the larger department.

[5.00 pm]

Ms R. SAFFIOTI: I might ask Ms Chopping to provide more information, but as I understand it, the allocation of resources is against each service sector or each area, and then corporate services goes across that agency. I will ask Ms Chopping to provide more details.

Ms L. Chopping: Thanks, minister, for the referral and thanks, member, for the question. Currently, we have the actual FTE allocated to regulation and support of local government for 2022–23 as 63 FTE. With the exception of supervisors or managers whose responsibility is to look after the recruitment of staff, which arguably is not a core function of the regulation of local government—they do occupational health and safety or the other things that managers look after—those staff are dedicated to the regulation of local government, including the support function, the legislation and policy function, and audit and a range of other functions that they undertake purely for local

government. There are some other areas of the department that support local government functions, including the regulatory reform unit that we talked about previously. Some of our other policy coordination functions that arguably are actually supporting local government are not a part of that FTE. The minister is correct in saying that there is an allocation for corporate services—HR and those kinds of things—that does not show up in that FTE allocation.

Mr R.S. LOVE: To confirm, these people are fully employed in the business of service 2, “Regulation and Support of Local Government”. When I look at the budget, the net cost of service seems to decline to \$12.191 million. I am still on the same table on page 553. It is the line just above “Employees (Full-time Equivalents)”. There is a decline of about \$2.6 million and the number of employees increases by nine. I am just wondering how that comes about. There seems to be an inverse relationship between the amount of money the department has and the number of employees, which is a bit of a magic pudding arrangement, really, I would have thought.

Ms R. SAFFIOTI: It goes to my point I raised earlier that there is the base funding of the area, which is the ongoing programs. Then there are finite programs that may be election commitments or specific projects that are project or program-based. Normally, they do not involve FTEs or they involve expenditure, for example, for consultancies, surveys, engagement, all those types of programs. When they cease, the funding falls. In a sense, the number falls, but the operational funding of the agency continues. We are not seeing a reduction in the number of FTE because they were finite programs that normally do not involve FTEs or permanent employees as part of that funding.

Mr R.S. LOVE: Can the minister perhaps provide some guidance on where these nine extra persons will be employed? Is it to do with the new legislation or is there some other reason that we suddenly need nine more members of staff in this department?

Ms R. SAFFIOTI: They will be involved in implementing regulatory reform programs and the work to implement the centralised registration program. They are the two key areas, particularly, the regulatory reform.

Mr P.J. RUNDLE: Does the minister have figures on the number of staff who commenced over the last financial year and who ceased either permanently or temporarily over the last —

Ms R. SAFFIOTI: No. I do not have that information, sorry.

Mr P.J. RUNDLE: Is the minister able to provide that information?

Ms R. SAFFIOTI: What is the member seeking? Is it the same person who started and finished or just the number of people —

Mr P.J. RUNDLE: No. Just how many numbers commenced and how many ceased, and whether it was permanent or temporary.

Ms R. SAFFIOTI: By way of supplementary information, we will provide the number of people appointed in the agency and the number of people who resigned from that agency. Is that it?

Mr P.J. RUNDLE: That is correct; it is the number of people who left, yes.

[Supplementary Information No B3.]

Mr P.J. RUNDLE: How many formal exit interviews were conducted over the past 12 months?

Ms R. SAFFIOTI: I do not have that on hand—formal exit interviews?

Mr P.J. RUNDLE: Yes, given staff turnover.

Ms R. SAFFIOTI: Is this the standard question the member has to ask every agency? Is this what has been distributed to the member?

Mr P.J. RUNDLE: No. Given staff turnover over the last 12 months —

Ms R. SAFFIOTI: I do not know whether there has been staff turnover.

Mr P.J. RUNDLE: That is my understanding. I have another question on that: given my understanding of staff turnover, has a whole-of-department culture survey been conducted over the last 12 months?

Ms R. SAFFIOTI: I will refer to Ms Chopping. She will provide an answer.

Ms L. Chopping: We have a vacancy rate of two per cent for the department, which I would assert is no significant variation to any other public service agency in this state. Obviously, in many different areas there is difficulty in employing staff. That said, I can say from our anecdotal experience at the department that we have people knocking down the door to come and work for us. We have high-quality and high-calibre candidates applying for positions and being recruited into the department. A number of temporary positions have been established because we need to get to a certainty position around structure following the local government reforms, for example. But that said, definitely from where I sit, there are definitely people wanting to come and work at the department from local government. Many people from the local government sector are applying for jobs in the department at the moment. As a government agency, we are fortunate to have many people wanting to come and work with us. In terms of

people leaving the department from the local government area, I can think of a notable one or two in senior positions, and those people have generally moved on to higher paying jobs as CEOs of local governments; obviously, there is a crossover in the high-calibre candidates there.

[5.10 pm]

Mr P.J. RUNDLE: My final question is: Within the department's four or five different areas—I think the member for Moore alluded to this earlier—are there any people who can flow from one section of the department to another? Can someone from sport and recreation go across to culture and the arts or across to local government? Does that take place within the department?

Ms L. Chopping: Definitely, there are opportunities for people to apply for expression of interest processes internally. We strongly encourage people to develop themselves professionally by applying for those opportunities, particularly when there is a higher level involved in a different part of the department. I, personally, am very keen to see the department come together as a single Department of Local Government, Sport and Cultural Industries. I am very encouraging of people moving between the different areas and for collaboration between local government, sport and rec, culture and the arts, the Office of Multicultural Interests and, to a lesser degree, our racing, gaming and liquor area because the nature of its work is different. Yes, definitely, there are opportunities for internal enrichment and opportunities for secondment in and secondment out. We take a collaborative approach to the way that we develop people in the organisation.

Mr P.J. RUNDLE: Thank you for that answer.

Mr R.S. LOVE: I refer to the outcomes and key effectiveness indicators on page 551. For a service area that was once a standalone department, there seems to be only one indicator of its performance and that is —

Outcome: Local governments are supported to meet legislative requirements of the Local Government Act:

Percentage of local governments where actions were taken in support of compliance with the legislative framework

That is talking about support and compliance with the legislative framework. Why is this figure of 20 per cent considered to be a key indicator for this particular measure? Is it an indicator of the performance of the department in simply ticking a box or does it indicate something deeper?

Ms R. SAFFIOTI: First of all, there will be a continuing review of the key performance indicators and the effectiveness indicators. I actually recall—maybe it was when I was in opposition—there used to be hundreds of performance indicators that were pretty meaningless in the budget papers. I am looking at a former Treasury officer, back there in the gallery, and I have to say I think that is true. In opposition, I remember there were pages and pages of effectiveness indicators that meant nothing and actually did not serve a purpose. A review was undertaken—I think it was under the coalition government—of performance indicators to make sure that they were more targeted and narrower and actually meant something.

This indicator shows the percentage of local governments that had action taken against their elected members or employees in the financial year. Records are collated of all actions, including the issuing of letters of improvement, as well as other compliance actions, complaints and audit inquiries. These figures are then converted to a percentage, so I think that we want to see it as a low number, would we not? This is a measure of how local governments are performing, so we do not want to see that figure too high—the lower, the better.

Mr R.S. LOVE: Thank you for that explanation. I suppose that, in some sort of backhanded way, it might achieve the aim of having better local government, but it seems a very negative approach to take in terms of an indicator, to indicate how many times you have had to rap someone over the knuckles and to say, “Well, that’s a good thing.”

Ms R. SAFFIOTI: I think it is more than rapping people over their knuckles. I am not sure whether the member is living in the real world about some of the conduct of some of these local governments, but some of it is pretty appalling.

Mr R.S. LOVE: Yes. It does seem to be a rather negative way of doing it. I wonder whether there would be some consideration for finding some more positive indicators with the coming reforms.

Ms R. SAFFIOTI: Remember that this is a compliance and regulatory activity undertaken by the government. The state government’s role is to make sure that local governments are performing properly. We can give merit awards, but I think this is a pretty good function as well.

The appropriation was recommended.