

Division 36: Local Government, Sport and Cultural Industries — Service 2, Local Government, \$19 192 000 —

Mr D.A.E. Scaife, Chair.

Mr J.N. Carey, Minister for Local Government.

Ms L. Chopping, Director General.

Ms E. Gauntlett, Deputy Director General, Management and Coordination.

Mr L. Carren, Executive Director, Corporate Services.

Mr T. Fraser, Executive Director, Local Government.

Ms L. Kalasopatan, Executive Director, Finance.

Mr E. Redshaw, Director, Regulatory Reform.

Ms C. Comrie, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof 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 those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only 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 noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for North West Central.

Ms M. BEARD: Thank you, chair. Good evening, everyone. Minister, I refer to page 542 and paragraph 11, venue management services.

Mr J.N. CAREY: Sorry, member. That does not relate to my portfolio.

Ms M. BEARD: Oh!

Mr J.N. CAREY: That is okay; we all do it.

Ms M. BEARD: That is okay.

Mr J.N. CAREY: Do not worry; I have done it.

Ms M. BEARD: My question is about one in particular, the Bunbury Regional Entertainment Centre —

Mr J.N. CAREY: Unfortunately, I cannot answer that. It is okay; I have done it.

Ms M. BEARD: No; it is all good.

The CHAIR: For your guidance, member, it is service 2, local government. You can see the different services. Venue management is service 11.

Ms M. BEARD: I refer to page 547 and the cost of services for grants and subsidies. Have any local government authorities applied for the urban greening grant facilitated by the Department of Water and Environmental Regulation?

Mr J.N. CAREY: I am really sorry again, member. That program is not under my portfolio.

Ms M. BEARD: Oh my gosh, sorry.

Mr J.N. CAREY: No, you are a new member. I have been a new member. I have done this before.

Ms M. BEARD: Thank you for being understanding.

Mr J.N. CAREY: I know we have goes at each other on a range of issues, but we were all new.

Ms M. BEARD: Thank you for that.

Mr R.S. LOVE: On page 537, I refer to the regulation and support of local government. I am looking at the budget for full-time equivalent employees. Given the likely changes to the Local Government Act, is there an expectation that the number of employees will rise in the future from the level of 65 quoted in the budget documents?

Mr J.N. CAREY: That is a good and reasonable question, member. The first tranche of reforms that we have now passed is not a substantial imposition on the agency for the reason that it related heavily to electoral reform and also a range of other reforms that were really about transparency and accountability for local governments. The member is right to say that the second tranche will create the role of a local government inspector. We are still working on it in significant detail with the Western Australian Local Government Association and Local Government Professionals because it is very complex. It will create monitors, noting that the monitors will not be staff employees but, in fact, experts who could be former mayors and CEOs. Yes, I suspect there will be an increase in resourcing around the local government inspector role and their capacity, but those decisions will be finalised as the legislation passes—God willing!—and then will be considered as part of that budget process.

Mr R.S. LOVE: Does the minister expect the commencement of any of these processes in this current budget year?

Mr J.N. CAREY: Member, again, it is a reasonable question to ask. As the member would be aware, it will be based on the timing of the passage of the legislation. I am sincere and I think the member had this feedback from the local government sector. The local government inspector is a hugely complex issue because it will also deal with penalties and how we deal with investigations to make them more effective. I think we all agree in this room that we do not want to see perpetual inquiries or investigations that go on forever. I am taking my time to get this right with WALGA and LGPro. I want to get the legislation in. I understand the need for it, but I do not want to second-guess, ultimately, how long it will take to get through Parliament.

Mr P.J. RUNDLE: I refer to page 531 and the Dog Amendment (Stop Puppy Farming) Act 2021. When will the regulations enabling changes to the Dog Act be implemented? Maybe I should not call it the Dog Act! Should I maybe call it the stop puppy farming act?

The CHAIR: It has been called the Dog Act for many years, member for Roe.

Mr J.N. CAREY: The question the member asked relates primarily to the establishment of a central registration system. It is all focused on that and I think the member is aware of that because he asked questions about it. That is the biggest, most complex piece. When we passed the laws, obviously for any dog lover with greyhounds, the muzzle went like that! I was at a citizenship ceremony on the weekend and a woman came up to me to say, “Thank you so much, John.” There was bipartisan support across the chamber for that act.

Mr P.J. RUNDLE: I know that the member for Forrestfield was very happy about it.

Mr J.N. CAREY: Yes, he is a big greyhound lover. They are beautiful dogs.

We have gone through the tender process now. We are doing the evaluation of the tender process, but the rest of the reforms rely on a central registration system. It is far more complex than members can imagine because what we are effectively doing is creating one system for all local governments. We are working through that assessment. Obviously, once the preferred supplier is determined, we will then start work on creating the system. There will need to be some ongoing communication and engagement with local government. We want to make sure we get that registration system right. We have aspirations for next year. I cannot give a clearer time frame for that because I do not want to pre-empt the length of time it will take to create the new registration system. It all hinges on the register.

[7.10 pm]

Mr P.J. RUNDLE: The first part of the question is about the fact that our dog rangers are fairly frustrated at the moment. I understand that a lot of dog rangers are frustrated by the implementation of the centralised system. Is there some sort of interim arrangement or, once in place, the centralised system is the only time they can enforce things under the legislation?

Mr J.N. CAREY: As the member would be aware, and I say this respectfully and I think he knows this, a number of local governments take enforcement of existing dog legislation very seriously. For example, in my own electorate, the City of Vincent does so very much. We need the central registration system. That is the critical part. That is a huge reform. We will continue to engage with local governments, but they have existing powers. We are aiming for the registration system to be in place next year.

Mr P.J. RUNDLE: When it is finally put in place, what does the minister estimate the cost will be, firstly to the taxpayer?

Mr J.N. CAREY: There will obviously be registration fees et cetera. They will be set by regulation. Local government costs will include registration, administration and rangers, noting that they already have to do that. I understand the angle the member is coming from, although I have to admit that out of all the things we have had to reform, there has been a lot more pushback on preferential voting versus the central dog register. Local governments already bear many of these costs. When you think about it, they have to administer registration right now and they have to run rangers. The Department of Local Government, Sport and Cultural Industries will have the licensing system. We will set the fees by regulation. I might ask the director general whether she wishes to add anything.

Ms L. Chopping: The only thing I will add is that on page 545 of budget paper No 2 is a line item under the asset investment program that gives the capital cost for the coming year of \$2.586 million for the delivery of the centralised registration system. That is the delivery cost to get the system up and running. The minister has outlined that there will be a cost recovery process, which was originally canvassed in the first part of consultation, and there will be further discussion about that in the rollout of the CRS.

Mr J.N. CAREY: I just add something about the consultation so I can put it on the record. In-depth engagement with local governments commenced in the second half of 2022. This focused on the scoping requirements of the central registration system so it was fit for purpose. Twenty-six local governments were engaged, with the remainder having input via surveys, questionnaires and discussions. There is ongoing engagement with other stakeholders. Substantial work is being done to make sure that local government understands the final CRS that will come into place tries to address the concerns that the member has had. I understand that any change can bring some concerns and worries. I think the member can agree, whether or not he agrees with other elements, that one central cat and dog registration system will be better able to police such things as when people move, because, as the member knows, people move and forget to register their animals. A central register is key.

Mr P.J. RUNDLE: I hear what the minister is saying about the centralised system, which I think has some good elements. As the member knows, from consideration in detail and our second reading contributions, the likes of Wagin shire council are very worried about the fact that costs keep getting loaded back onto individual local governments. I am trying pinpoint how much a local shire would be up for per registered dog. Does the minister have any estimate of that?

Mr J.N. CAREY: I want to assure the member that my agency and I will continue to engage with local governments. I always have an open-door policy when people want to flag concerns. There is one critical saving. Currently, 139 local governments administer their own registration process. There will still be rangers, everyone will have rangers, but there will be a cost saving to local governments because they will not need to hold a central register anymore, whether it is digital or manual, however they do that. As the member knows, smaller local governments—things can change—may not do it digitally. This will mean one digital register that is run and costed by my agency. The fees will be set by regulation. My commitment on the record is that we will continue to consult with local governments. There is likely to be cost recovery.

Ms M. BEARD: I refer to page 537 of budget paper No 2 and the total cost of service for the regulation and support of local government. Could the minister outline what support services the department provides to local government authorities?

Mr J.N. CAREY: That is a very reasonable question. I think I have been on the record as saying that my strong preference is early intervention. Under the new director general of Local Government, Sport and Cultural Industries, we have seen a very heavy push to early intervention. I do not want to see local government inquiries. We all agree they cause enormous stress on ratepayers, chief officers and councillors for whatever reason. From time to time, though, we need to call inquiries. The whole reform program we are introducing is about early intervention; that is a critical piece. In our current agency there has been a strong focus on working with local governments. Our local government team has been going to local councils to have discussions about particular challenges or issues they have been facing, so it has been far more proactive. The member may have also seen correspondence sent to certain local governments indicating to a CEO or a mayor that we see some issues and trends and would like them to try work on them early, rather than allowing the problems to persist. I might ask the director general whether she wants to add anything further.

[7.20 pm]

Ms L. Chopping: Thank you, minister. In a nutshell, the services provided to the sector include support and advice. Obviously, a whole range of web content is available for local governments, elected members and the executive. We have a helpline available to provide resourcing, support and education. Importantly, we have an accounting help desk, which is really important for providing advice to the accounting divisions within local governments, particularly small local governments that may sometimes struggle to have the capacity to meet their financial reporting obligations, or just help on a day-to-day basis. We develop policies and guidelines around the regulatory framework, which gives the sector an idea of what is appropriate and not appropriate in certain circumstances.

The minister talked about our compliance and enforcement. Our regulatory role, which is very much at the moment about support and engagement, is to try to ensure compliance, because we all share that as our aspiration for local government. We also have an investigations and enforcement area that looks at issues of conduct and other practices. Importantly, we have a role in advising the minister on a whole range of legislation that is relevant to local government. That is not only the Local Government Act, but also the Dog Act, the Cat Act and a whole range of other legislation.

Ms M. BEARD: In that section, under regulation and support of local government, there is the net cost of services. Can the minister explain the variance in those figures?

Mr J.N. CAREY: I am sorry, member; just so I make sure I am answering the right question, which part is it?

Ms M. BEARD: It is \$19 004 000, and the estimated actual is \$11 609 000.

Mr J.N. CAREY: Is the member referring to the net cost of service of \$19 million for 2020–21, and then in 2022–23 it is at \$12.191 million?

Ms M. BEARD: Yes, that is the budget cost.

Mr J.N. CAREY: Primarily, it relates to election commitments. As the member would be aware, every portfolio has a number of election commitments. These are smaller or local election commitments that were made. As a result, we see a reduction in that gap. I will ask the director general whether she wants to add any further information.

Ms L. Chopping: The larger amount for the 2021–22 actual is made up predominantly because of the delivery of election commitments. We can obviously elaborate on the detail of the election commitments if that is required. The drop to \$12 million is the usual funding. It is \$16.8 million in 2023–24 predominantly because of the roll forward of the funding for the delivery of the regulatory reforms. We have some specified funding around regulatory reform work that we are doing, and also the final delivery of the puppy farming reforms that we talked about before.

Ms M. BEARD: The line item “Employees (Full-Time Equivalents)” shows 57 FTE varying through to 65. Does the department have any vacancies at the moment with those employees?

Mr J.N. CAREY: I will ask the director general to answer that question.

Ms L. Chopping: The 2021–22 actual FTE reflects the number of vacancies that we experienced due to difficulties in labour market conditions, but the variance is not significant. There is a growth of two FTE over the year, which is for the Indian Ocean territories, so there is an additional position there, and also for the implementation of the puppy farming reform work. As we indicated earlier, the budgeted FTE for the local government portfolio is not expected to grow significantly in 2023–24. As at 31 March—these are the latest figures that we had in preparation for this hearing—there were five vacancies within the local government portfolio, and all positions are in the process of being recruited. It should be noted that vacancies will vary any day of the week; obviously, things change over time.

At a broader level for the department, we have experienced some really significant improvements in our attraction and retention of staff overall, and I can make some comments on that if the member would like.

Ms M. BEARD: I refer to page 547 and the heading “Income from Government”. With the Aboriginal Cultural Heritage Act —

Mr J.N. CAREY: I am really sorry, member; that is definitely not me. Anything on page 547 is definitely not me.

Ms M. BEARD: My question was whether the government will be providing additional funding to the department to help manage any requirements that the local government, the department or the councils will have to comply with as a result of an influx of work when those changes come in?

Mr J.N. CAREY: Sorry, member; I am just seeking advice. My apologies.

Ms M. BEARD: I have confused the minister. When the changes come in under the Aboriginal Cultural Heritage Act, obviously, lots larger than 1 100 square metres will be affected. I expect that ratepayers will be approaching LGAs for help with that or for information. Will the government provide either the department or some of the local governments with additional income to manage the influx they might receive in relation to that?

Mr J.N. CAREY: Member, respectfully, that is not within my portfolio.

Ms M. BEARD: That is fine.

Mr J.N. CAREY: I understand the member is asking a question that intersects with local government, but it is not a program that I administer. The member could try to ask that question on notice to the relevant minister.

Mr R.S. LOVE: I would like some advice. The director general mentioned the Indian Ocean territories a minute ago. On page 529, there is a spending change of \$63 000 a year, and it comes under the line item “Indian Ocean Territories”. I do not know whether that is related to the work done by the Department of Local Government, Sport and Cultural Industries; regardless, could the minister explain the support that the department provides to the territories, how that is structured and whether the costs are refunded from the federal government?

Mr J.N. CAREY: Sorry, member; some of that is not in my portfolio. Is the member referring to page 529 and “Indian Ocean Territories”?

Mr R.S. LOVE: Yes.

Mr J.N. CAREY: I think that falls within the culture and the arts portfolio. I am trying to find the member another reference. I am sorry about this.

Mr R.S. LOVE: I think the other reference was in the previous answer on some of the cost and employment changes. The director general said that it was to do with support for the territories. Perhaps the minister could outline what support the department offers.

Mr J.N. CAREY: In effect, I am advised it is exactly the same kind of support that we would provide as part of our local government regulatory and support service functions. I will ask the director general to add some further comment.

[7.30 pm]

Ms L. Chopping: Indeed, we provide a suite of services to the Indian Ocean territories across all the different portfolios that we work with. In particular, in relation to local government, we provide the services that I indicated earlier. Local governments get the full hotline service, so we are available on the phone. We travel there once a year to do onsite education and support, and our investigations and assessments unit undertakes investigations, should they be warranted, in the same way that we do with all other local governments. Obviously, we provide culture and arts support and a whole range of other support in other portfolios, but specifically in relation to local government, that is the nature of the support. We have recently been to both the Cocos (Keeling) Islands and Christmas Island for those compliance support visits. I do not believe there are any issues that we have detected. We are working well with them on their functions up there.

Mr R.S. LOVE: I turn to page 535 and the outcomes and key effectiveness indicators. Perhaps this goes to engaging with local governments, which the minister was talking about before. One of the outcomes is that local governments are supported to meet the legislative requirements of the Local Government Act, and the actual percentage of local governments with which actions were taken in support of compliance with the legislative framework was 31 per cent in 2021–22, the budgeted percentage was 20 per cent in 2022–23, the estimated actual percentage in the current year is 36 per cent and the budgeted target is 35 per cent. Given that the budgeted level of engagement has increased from 20 per cent to 35 per cent, I seek some explanation of that and whether the department is being proactive or whether there has been a rash of problems.

The CHAIR: Leader of the Opposition, is note 3 also relevant to your question?

Mr R.S. LOVE: I think note 3 is relevant, but I want some confirmation and an explanation of how that is playing out.

Mr J.N. CAREY: The member is spot-on. As the director general and I have discussed, it is about a far more proactive and early intervention approach with local governments. However, I want to flag that that early intervention and proactive approach should not be viewed as punitive. It is not the case that every time a local government identifies issues or is requested to participate, it is a punitive measure. I think there is general agreement that more local governments are saying that they need assistance on matters. I might ask the executive director of local government, who has been doing this early intervention, to give some greater insight.

Mr T. Fraser: As the minister indicated, the department has taken an early intervention approach in working with a number of councils. That can be on a range of different measures. It can certainly be just assisting them with setting up their governance structures, understanding how they work functionally as a council and understanding the various roles and relationships. I will highlight a couple of more specific things, particularly the financial reporting area. In both the regions and the metropolitan area, we have established a dedicated financial reporting area, and the introduction of streamlined financial reporting has also assisted. There has been a lot of work through things like better practice reviews with some local governments, as well as just more generally trying to be more proactive, as the minister mentioned, through direct engagement on those broader governance issues that some of our councils face. The figures that the member sees there reflect the early intervention and us trying to provide that support and assistance.

Mr R.S. LOVE: Is the streamlining of financial reporting and the engagement mainly being done with smaller local governments that may have some changes to the level of reporting that they need to do or is it across the board?

Mr J.N. CAREY: We have worked heavily with the local government sector on looking at model financial templates and the way that we undertake financial reporting. As a consequence, we have just introduced new templates, which will reduce the overall burden for all local governments, but also, in particular, as the member has identified, reduce the burden on tier 3 and tier 4 local governments. It is a tiered approach. As we know, we have four tiers of local governments. It is about trying to streamline and reduce the burden for smaller local governments. That is what we have done in the Local Government Act, but no-one really cared. For example, live streaming is required for local governments in tiers 1 and 2, but only recording is required for those in tiers 3 and 4. Again, no-one really got excited about council plans, but this means that a big council can do a hoity-toity \$200 000 glossy plan, as the City of Stirling has done—we love its work—while a small local government in tier 4 can just do a black-and-white

council plan that it has to review after eight years. We have really tried to change that approach. Of course, the issue that the member worked on with me, and I think we had a bipartisan approach, was about implementing the streamlining for general practitioner procurement if a local government had an existing GP.

Mr R.S. LOVE: Thank you for that advice.

In terms of support for local government, we know that there is a move across government towards establishing some climate change action, and we can look at what Treasury and other government departments are doing. Is the Department of Local Government, Sport and Cultural Industries involved in any way in encouraging or enabling some change in line with the government's broader climate action agenda?

Mr J.N. CAREY: Obviously, we recently made changes to the Local Government Act, and one of the principles was to give consideration to climate change as an ongoing issue. I think that there are both large and small local governments that are doing incredible stuff on climate change and they do not need a principle in the act to already be out there doing that work. There is a collaboration with my agency that is predominantly driven by environmental agencies on the regional climate alliance program. That program supports regional local governments coming together in collective partnerships to help tackle climate change. I understand that it is not administered by my agency; it is done by the Department of Water and Environmental Regulation. Around \$200 000 and in-kind support is given to the program. My agency is a member of the coordinating group. We are not the lead on that. The South Coast Alliance includes four councils, and the Goldfields Voluntary Regional Organisation of Councils includes nine councils, but my understanding is that they have been voluntary collaborations of those local governments. I might ask the director general whether she wants to add anything further.

[7.40 pm]

Ms L. Chopping: More broadly across the department and across all its portfolios, I sit on the portfolio oversight group of directors general responsible for climate action policy, planning and programs across our portfolios. For example, in this budget we have secured \$500 000 to audit all our cultural camp assets, one of which is in Albany, to look at climate adaptation. We do some work in that space from a leadership point of view.

In addition, we work with Waterwise. I am not sure whether the minister mentioned that and whether I am repeating him, but we do a lot of work in water and water efficiency.

In our infrastructure area, which crosses over with the sport and recreation, culture and arts, and multicultural interests portfolios, we do a lot of work in green planning, infrastructure, water utilisation, energy efficiency et cetera.

Mr R.S. LOVE: The director general mentioned \$500 000 in grants. Is that the \$500 000 on page 551, under cash flows from government for the climate action fund special purpose account in 2023–24, or is that money that has already been expended?

Mr J.N. CAREY: I will give a little bit of leeway. It is not in my portfolio but, yes, they have received a grant.

Mr R.S. LOVE: On page 549 in the table “Details of controlled grants and subsidies” is an actual spend in 2021–22 for the off-road vehicles fund. It seems to be the only spend in the budget documents for the off-road vehicles fund. Can the minister explain a little bit about the fund? I understand it is collected by the Department of Transport on behalf of the Department of Local Government, Sport and Cultural Industries, and it is used to assist local governments with the development and maintenance of off-road vehicle areas, but there does not seem to be anything flowing out of it. Perhaps the minister could explain what is happening there.

Mr J.N. CAREY: Grants have been given out in the past few years for off-road vehicles. Our key focus at the moment is working to identify new sites, and this is the broader picture and the challenge. We both know that there is a very strong advocacy group, and I respect the work it does, but the key focus for us is looking at identifying potential new areas for ORVs that would, obviously, then be funded by the account and the fund, and the agency is working on this. That seems easy, and I respect the work of the passionate advocates, but it is actually much harder than people think. We have reached out to particular local governments and have been doing assessments of sites, but a range of factors are at play. Land conflicts, whether local governments are interested in having them, conflicts with residents and environmental concerns are all factors at play. I want to assure the member and put on the record that my agency and I are very focused on trying to identify and establish new ORV areas for this growing and popular sport.

Mr R.S. LOVE: Would it be possible for the minister to provide, perhaps by supplementary information, a list of the grants that have been given in the last four or five years?

Mr J.N. CAREY: I will read them all out now. In 2019–20, there was \$9 000 to develop a beginners track trail at Pinjar ORV area in the City of Wanneroo. In 2020–21, \$40 000 was given to upgrade the York off-road vehicle area, and I attended that announcement. Undertaking a preliminary site assessment of the land in East Keralup in the City of Rockingham was \$28 957. In 2021–22, \$30 263 was for improved signage and road access at the Lancelin ORV area. There was \$43 837 to develop a concept plan for a potential ORV area on the Metro Road in the Shire of

Brookton. There was \$50 000 for maintenance and upgrades to the trails at Pinjar ORV area and \$4 010 to complete a stage 2 report on the potential ORV site in East Keralup. We have also used it to facilitate scoping and costing for the DoT Direct upgrades to prepare for online registration of ORVs. As the member knows, this is substantial work. That stage of this project is around \$60 000. There was \$66 135 from the ORV account to facilitate upgrades by the Shire of Gingin for improvements to the Ledge Point ORV area. In 2022–23, \$23 404 was approved from the ORV account to undertake a desktop land-use planning assessment for informing the prioritising, as I have discussed, of potential sites and supporting the ORV committee’s planning and implementation of the site development.

Mr R.S. LOVE: I thank the minister very much for the support for Ledge Point, for a start. I think that has been a good initiative.

The minister would know that there is controversy in the community about the future of the Lancelin ORV site. Has there been any support to find alternatives or negotiate a way through the situation with the Lancelin ORV area in the medium term?

Mr J.N. CAREY: Obviously, as the member knows, broader issues have been across other portfolios, and I understand Minister Cook had a relevant meeting on the matter. First of all, the advice is that we are looking at potential further funding support for safety upgrades of the Lancelin ORV area. I understand the concerns, and I want to put it on the record that all the advice I have received is that the interaction between the Lancelin ORV area and any potential mining exploration will be on the far horizon if it does occur. I always understand that there are community concerns, but I think there is likely potential for additional funding for safety upgrades.

Is the member laughing at that pen?

Mr R.S. LOVE: No, we have the same pen. I nearly stole his pen!

Mr J.N. CAREY: I thought that I had really bored the member. I could not see his face, but I could see the pen movement and both members looking at the pen.

Mr R.S. LOVE: I appreciate the minister’s answer. He knows that there is a lot of concern from the users of the area and from the farming people who rely on the lime sand. The minister appreciates that it is a difficult situation for everybody involved. I thank him for his answer.

The appropriation was recommended.

[7.50 pm]