



Parliamentary Debates

(HANSARD)

FORTIETH PARLIAMENT
FIRST SESSION
2018

LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Tuesday, 22 May 2018

Legislative Assembly

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ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

Division 23: Education, \$4 746 518 000 —

Ms J.M. Freeman, Chair.

Mr P. Papalia, Minister for Tourism representing the Minister for Education and Training.

Ms S. O'Neill, Director General.

Ms J. McGrath, Deputy Director General, Education Business Services.

Mr S. Baxter, Acting Deputy Director General, Public Schools.

Mr L. Hale, Executive Director, Statewide Services.

Mr D. Stewart, Executive Director, Workforce.

Mr P. Titmanis, Executive Director, Strategic Initiatives and Performance.

Mr J. Fischer, Executive Director, Infrastructure.

Mr J. Peckitt, Executive Director, Finance and Commercial Services.

Ms J. Healy, Acting Executive Director, School Curriculum and Standards.

[Witnesses introduced.]

The CHAIR: Good morning, everyone. First, I recognise the traditional owners of the land on which we meet, the Whadjuk people of the Noongar nation.

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. Members should give these details in preface to their question. If a division or a service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

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, 1 June 2018. 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 through the online questions system.

I give the call to the member for Churchlands.

Mr S.K. L'ESTRANGE: I refer to page 299 of budget paper No 2 and the third dot point under the subheading "Secondary Schools" that states —

Planning is continuing and construction will commence for Inner City College at Kitchener Park in Subiaco.

Can the minister confirm that the new school being built at Kitchener Park in Subiaco will not have capacity to expand beyond 2 000 students?

Mr P. PAPALIA: I might have Mr Fischer respond to that question.

Mr J. Fischer: The school is being built for a capacity of 2 000 students. It will not have capacity for transportables, which we would normally provide at a new school.

Mr S.K. L'ESTRANGE: Can the minister, or one of the minister's advisers through the minister, confirm the maximum number of students that the Kitchener Park school in Subiaco with demountables would be able to house?

Mr P. PAPALIA: I am not sure that that is something that would be normally available immediately to the department. Most schools have capacity in the form of land available for additional accommodation in demountables or potentially the construction of other buildings. I assume that the same is true of this particular site. Right now, it is being constructed for 2 000 students—to which the member referred—and has additional capacity as indicated.

Mr S.K. L'ESTRANGE: Minister, yes, further capacity has been indicated. The adviser indicated to us that they have a template for how many demountables at a school site is the norm. What is that template?

Mr P. PAPALIA: I do not think that that is what Mr Fischer said. He said that space is available for additional—no, he is saying there is no space.

Mr S.K. L'ESTRANGE: I will take that to mean that it is the case that there will be 2 000 students. Given that the Minister for Planning has approved the gazetting of the Subiaco redevelopment scheme and related development policies that will make housing in Subiaco East R80, which is high-density group dwellings and apartments, can the minister advise what the government's plan is to educate local children once the new school is at capacity? If the government has a plan, can the minister outline this plan?

Mr P. PAPALIA: Member, new schools are built in growing areas all the time and the department has a rolling plan for providing additional capacity in anticipation of schools being required. That is true of my electorate; it is true of any electorate in the state. Right now, I am aware that the member for Baldivis has an additional high school being built in his electorate. As capacity is identified as being required, the department moves in advance of that to provide that capacity.

Mr S.K. L'ESTRANGE: Given that we have the strategic plan for this school in Subiaco and that rezoning around the school will be for higher density dwellings, it is highly likely that the school will reach its capacity within a decade. I simply ask: what is the plan for children in that area and surrounding areas to go to high school if that school is at capacity?

Mr P. PAPALIA: I am informed that the modelling indicates that the population of the school will reach around 1 600 students in 2026. That leaves additional capacity. As the member indicated, the capacity of that school will be 2 000 students. However, the process for building capacity, or building schools, in the state remains unchanged from when the member was in office. As the department identifies need, in advance of that need, it projects additional builds as necessary, and governments respond. That is the same process that has been undertaken for the last several decades, I would imagine. As I indicated, there is more than enough capacity in the period that the member is anticipating.

Mr S.K. L'ESTRANGE: Given the future planning that the department is always accustomed to doing that the minister referred to, can he provide details on the City Beach high school site? What does the government plan to do with this site?

Mr P. PAPALIA: No, not at this stage.

Mrs L.M. HARVEY: The population forecasts done in 2014, which started this process, indicated that by 2026 there would be an additional 2 860 children aged 10 years to 19 years in the areas of Scarborough, Doubleview and Innaloo. Where is it anticipated that these children will be accommodated for high school?

Mr P. PAPALIA: I think the member is referring to old modelling. In 2014, we were still at the tail end of the boom that had drawn significant numbers of people to the state. The member may recall that at that time a lot of really outrageous projections were made for population growth in the state. Subsequently, there has been a significant tapering off, or reduction, in the number of people coming to the state, so I do not think those particular statistics are relevant.

[9.10 am]

Mrs L.M. HARVEY: Could the Department of Education then provide what the revised forecasts are for the population growth in those suburbs for 10 to 19-year-olds?

Mr P. PAPALIA: I think the member is going to have to put that one on notice because we are still working on revised modelling for the current population growth to reflect more realistically the numbers coming into the state.

Mrs L.M. HARVEY: When is it anticipated that revised modelling will be available?

Mr P. PAPALIA: In the case of the census for this year, the student population is revised annually. If the member puts the question on notice, my advisers will give her the answer as soon as they have the numbers.

Mrs L.M. HARVEY: That modelling also predicted that for the suburbs of Perth city, West Leederville, Wembley, Mt Hawthorn and North Perth, we would need to accommodate an additional 4 310 children. The minister can see that with nearly 7 000 additional 10 to 19-year-olds anticipated by 2026, providing additional capacity of 2 000 in Subiaco is not going to cut the mustard. That is the concern of my constituency.

Mr P. PAPALIA: As I indicated earlier, the department's modelling for this school is to have 1 600 students by about 2026. The observation I made earlier remains relevant and the modelling the member has referred to is dated.

Mrs L.M. HARVEY: Could the department provide us with what the anticipated enrolments will be for Churchlands Senior High School, Shenton College and Balcatta Senior High School by 2026?

Mr P. PAPALIA: Yes, member. I have the modelling at the moment. As I indicated, the figures will be refined based on the current census. They may change subject to what the rate of growth has been as opposed to what was projected to be when these were developed—which schools was the member after?

Mrs L.M. HARVEY: Churchlands Senior High School, Shenton College and Balcatta Senior High School.

Mr P. PAPALIA: I do not have figures for Balcatta. For 2026, Churchlands is anticipated to have 2 320 students and Shenton will have 2 450, but I have not got Balcatta's figures. I have Mount Lawley Senior High School's figures, if the member wants that.

Mrs L.M. HARVEY: Yes, if the member has the figures for Mount Lawley Senior High School and Carine Senior High School as well.

Mr P. PAPALIA: I have not got Carine's figures. I have Mt Lawley's figure, which is 1 839.

Mrs L.M. HARVEY: Could I request by supplementary information the enrolment predictions for Balcatta Senior High School and Carine Senior High School for 2026?

Mr P. PAPALIA: I undertake for the minister to provide to the member by way of supplementary information, the projections or the modelling for school populations in 2026 at Balcatta Senior High School and Carine Senior High School.

[*Supplementary Information No B1.*]

Mr S.K. L'ESTRANGE: I have a follow-on question.

The CHAIR: I remind the member that the question was about City Beach, so is it a follow-on question from the City Beach question?

Mr S.K. L'ESTRANGE: Yes. Given reports that another secondary school will need to be built within a decade of the Kitchener Park school opening, will the government commit to retaining the City Beach high school site for future education purposes?

Mr P. PAPALIA: No, member. The department, the minister and the government are constantly assessing and analysing the requirements. The department projects requirements for future school builds and advises the government. That process is ongoing, as it was under the previous government. There has been no change to that process. I understand that the member is not happy that there was a commitment by the government to build an inner-city school as opposed to what his government planned to do. That was a change of policy and it was an election commitment. We went to the election with a commitment to do something different from what the previous government was going to do.

Mr S.K. L'ESTRANGE: This has nothing to do with my emotions, minister—whether I am happy or unhappy; this is absolutely based on population numbers of students in the area. All that we on this side of the chamber are asking is for the minister or his advisers to give us an answer on how they will deal with an increased student population in the western suburbs and whether they will reserve the existing City Beach high school site, which has a building on it that was designed as a school and can be used as a school when the population at the Kitchener Park school reaches 2 000. All we are asking is whether the government will retain that site for future education purposes should the need arise with the growing population.

Mr P. PAPALIA: I would never accuse the member of being emotional or demonstrating any degree of empathy for any particular subject. As I indicated, I am not going to guarantee or indicate the future use of that site because that is part of the process, which is ongoing. It is a normal part of the process that government and the department undertakes, as it did when the member was in office. I remind the member that under his government, there was a long period of reflection before a last-minute announcement about that site was made by the previous minister. It is just part of the process. We went to the election with a different position from that of the previous government. We are delivering on that commitment, and that is what I can guarantee.

Mr S.K. L'ESTRANGE: I am not asking about what the former government did, and neither am I judging its decision on Kitchener Park. I am simply asking the question: once the Kitchener Park school is full, what is the government's plan to educate children in the western suburbs?

Mr P. PAPALIA: Member, in exactly the same fashion as has been the case for several governments—if not all governments in living memory—the department assesses requirements for future builds utilising the latest projections, census data and indications of population shifts, and projects the requirement in advance. It then advises government. Government responds and schools are built as required in advance of the requirement—nothing has changed; nothing is different. A strategic asset plan identifies that need and it is then reflected in the budget that anticipates the need to invest in new schools.

Mr P.J. RUNDLE: I refer to the table on page 301 of volume 2 of the *Budget Statements* under the line item "Carnarvon Community College". I note an additional funding component from royalties for region to the tune of \$12 million, which has led to an overall cut to this project of \$13.2 million from the previous budget. What is the explanation for the 30 per cent drop between the budgeted \$38.55 million, which is contained in the original business case prepared between May and October 2016, and the current figure?

Mr P. PAPALIA: When I look at the line item that the member referred to—“Carnarvon Community College”—and the table headings of estimated total cost figure, the estimated expenditure to 30 June 2018 and estimated expenditure in 2017–18, I am not sure what numbers the member is referring to. What is the total to which the member is referring?

[9.20 am]

Mr P.J. RUNDLE: The overall project budget has dropped from \$38.5 million; it has dropped by \$13 million. If the minister likes, he can refer to page 173 of budget paper No 3 as well, which is the royalties for regions expenditure. That indicates a total of \$25.4 million. The total project cost has supposedly dropped by \$13.2 million, which has been recognised by the minister.

Mr P. PAPALIA: I am informed that the actual tender pricing, or the indications of cost as a consequence of the tender, is far lower than anticipated in the original budget. This is reflecting the tenders.

Mr P.J. RUNDLE: Has the scope of the project changed in any way between the 2016 project—that is, the subject of the business case—and the current project under construction?

Mr P. PAPALIA: No; I am informed that is not the case. It must be a much more competitive environment or something out there because we have received tenders that are far better than the anticipated cost in the original scope that the member was referring to.

Mr P.J. RUNDLE: If there have been no changes to the scope or size, what errors were made in the original business case to so grossly overestimate the project cost?

Mr P. PAPALIA: I think it is a bit harsh to suggest that it is an error. There is a changing climate in the economy, particularly in regional areas, and sometimes regional areas have specific issues associated with constraints on builds and costs of builds and demand, and ebbs and flows might suggest that a greater cost was anticipated than realised. That is a good thing. I would have thought that the member would be celebrating that the state and the taxpayer are benefiting from a shifting environment that has resulted in a delivery of the same product and project for a significantly lower price. I think that is a reason for celebration and I look forward to the member joining with me in commending the department on achieving such an outcome.

Mr P.J. RUNDLE: I must say that this would be the first and only project I have heard of in the last few years that has had a —

The CHAIR: That is a statement, member. Do you have a question?

Mrs L.M. HARVEY: Can the minister categorically confirm that there has been no change to the original scope of works for the Carnarvon Senior High School build?

Mr P. PAPALIA: I am informed that there is no change in the scope of works. It is a tremendous outcome that the anticipated cost is far in excess of what the actual cost looks like it is going to be. That is a reason for celebration and we should commend those involved for achieving that outcome.

Mr P.J. RUNDLE: On what date or over what period did the Department of Education become aware of the reduced cost for the project?

Mr P. PAPALIA: The allocation was made in the budget that the member was referring to. I am informed that construction commenced in January and I assume that sometime last year in advance of the contract being signed it became clear that there was a significantly lower cost associated with it. That is a good thing. There is nowhere for the member to go here. He is not going to find the cloud on the silver lining on this one. This is a good thing.

Mr P.J. RUNDLE: How have any changes been communicated to the college or the community?

Mr P. PAPALIA: Which changes?

Mr P.J. RUNDLE: I am referring to the changes in the costs—the celebration that the member was referring to.

Mr P. PAPALIA: I reckon we should have a morning tea to celebrate and perhaps we could even invite the local member to fly up from his residence in Perth to attend.

The CHAIR: Minister, that is a statement.

Mr P. PAPALIA: They could celebrate the fact that there has been a significant saving for the taxpayer in delivering the same scale of project in the building.

Mr P.J. RUNDLE: I understand that the college and community representatives made a number of sensible suggestions during the consultation process for stage 3. Some were related to Carnarvon’s climate—for example, solar panels to save on power costs, climate control for the gymnasium space and shading for outdoor areas—as well as additional music storage space. All of these were firmly rejected by the Department of Education representatives as unable to be accommodated within the existing budget, which was said to be tight. Given the apparent savings on the project, this is not true.

The CHAIR: That is not a question, member. Let us go to a question.

Mr P.J. RUNDLE: Will these sensible requests now be accommodated?

Mr P. PAPALIA: Can I respond?

The CHAIR: Yes, absolutely, minister.

Mr P. PAPALIA: As is often the case, the member reflects the attitude of the National Party to budget process. It is incredible that he still persists in the assumption that whenever a saving or contribution from additional source, such as the federal government, towards cost is achieved, the member expects the government to spend up every single cent of saving that has been delivered.

The CHAIR: Minister, come back to the question.

Mr P. PAPALIA: Forty thousand million dollars' worth of debt is the reason that we cannot do that.

Mr S.K. L'ESTRANGE: This is an estimates hearing.

The CHAIR: Member for Churchlands, I am perfectly capable.

Mr P. PAPALIA: If the member for Roe wants a lecture every time he raises this topic, I will do that. I am quite happy to engage in that sort of discussion.

Mr S.K. L'ESTRANGE: You are outrageous!

Mr P. PAPALIA: You are outrageous!

The CHAIR: Minister, answer the question; stay to the question. It is early in the morning. You have a couple of hours to go.

Mr P. PAPALIA: Every single year there was 6.4 per cent public sector growth —

The CHAIR: Minister! We have almost done eight minutes on this question. If it goes to 10, I am going to move onto the next question.

Mr P.J. RUNDLE: I have got only one more.

The CHAIR: Make the question a question, member for Roe.

Mr P.J. RUNDLE: Given that stage 2 of the project was dogged by some defects and given some of those defects were unnoticed —

The CHAIR: Ask a question.

Mr P.J. RUNDLE: Given those failures of inspection, what improvement will be made to the government's inspection regime for stage 3 to ensure value for taxpayers' money?

Mr P. PAPALIA: When was stage 2 delivered?

Mr P.J. RUNDLE: The defects in stage 2 were things such as toilets being plumbed into the earth.

Mr P. PAPALIA: When? What year?

Mr P.J. RUNDLE: I understand it was in 2016–17.

Mr P. PAPALIA: Not that it is relevant, but I would say we have a far more efficient and responsible government in power now than the one that was in office at that time, so the suggestion that there may be some continuation of the problems experienced under the previous government is questionable. I do not think there is any point assuming that any of the circumstances extant at that time remain relevant.

The CHAIR: We have done almost 10 minutes on this question, so I am going to move on. Member for Churchlands.

Mr S.K. L'ESTRANGE: I refer to the third dot point on page 293 of budget paper No 2, which states —

An independent evaluation of the student-centred funding model for public schools started at the beginning of 2018.

Who are the members of the panel conducting the evaluation?

Mr P. PAPALIA: I am informed that the University of Victoria and the consultants the Nous Group have been engaged to undertake that work.

Mr S.K. L'ESTRANGE: So, it is not a panel of government people?

Mr P. PAPALIA: It is an independent process.

[9.30 am]

Mr S.K. L'ESTRANGE: How much is budgeted for the conduct of the evaluation?

Mr P. PAPALIA: I am informed that \$350 000 has been allocated.

Mr S.K. L'ESTRANGE: When is the evaluation expected to be completed?

Mr P. PAPALIA: I am informed that the preliminary report will be presented in July.

Mr S.K. L'ESTRANGE: Given the existing changes to the per student funding model that have taken place, what is the department doing to assist schools that have had their budgets significantly impacted by the changes already?

Mr P. PAPALIA: The responsibility for single-line budget management lies with the principal, under the process established under the previous government, but the schools can apply to a budget review committee in the event that they feel there is some issue. Their concerns are assessed, and they can potentially receive additional funding. I can confirm that some additional funding has been allocated. As at 24 April this year, the committee has provided budget adjustments for eight schools, totalling \$1.354 million.

Mrs L.M. HARVEY: Which schools are those?

Mr P. PAPALIA: The schools are Butler College, Central Midlands Senior High School, Dardanup Primary School—I grew up not far from there—Kinross College, Moorditj Noongar Community College, Rivergums Primary School, Southern Grove Primary School and Woodbridge Primary School.

Mrs L.M. HARVEY: I would suspect that a large number of schools might be applying through the budget review committee. How many schools made application to that committee for additional funds and were knocked back?

Mr P. PAPALIA: Two schools additional to the list applied but were not approved.

Mrs L.M. HARVEY: What schools were those?

Mr P. PAPALIA: One was Churchlands Senior High School and the other was Hopetoun Primary School.

Mr S.K. L'ESTRANGE: What amounts did those two schools seek?

Mr P. PAPALIA: I am informed that the Churchlands application was for \$750 000, and I do not know what the Hopetoun application was.

Mr S.K. L'ESTRANGE: What response has been given to Churchlands Senior High School to achieve that \$750 000 need?

Mr P. PAPALIA: The decision was made to reject the application. I understand that it was made for additional support to maintain a balanced budget due to fewer students at census than projected. The determination was that the school was capable of dealing with that without additional funding. I understand the school had significant funding available in its bank balance. Hopetoun has an issue with the principal being away, and it will receive additional support from the goldfields regional office.

Mrs L.M. HARVEY: This is a new topic. I refer to the fifth dot point on page 292 of budget paper No 2, under the heading “Significant Issues Impacting the Agency”, which begins —

With issues in the community often spilling into schools, the safety of students and staff in public schools remains a focus.

What resources are being provided to schools to try to deal with the violence that is becoming increasingly prevalent in our high schools, particularly violence towards teachers?

Mr P. PAPALIA: I will ask the director general to respond to that question.

Ms S. O'Neill: A range of strategies have already been put in place in schools to deal with problematic behaviour. As the member would know, most kids behave well every day, but we have a small handful of students whose behaviour is a concern for us. On top of all the things that we do in the area of positive behaviour and intervention, a couple of weeks ago we started to roll out the Keeping Our Workplace Safe program, under which representatives from every school will come in for additional training, and they will go back on a train-the-trainer model to give professional learning for people at school sites. In that professional learning we will look at classroom management strategies, programs that we already have in place and more. We want to make that more visible. We will be talking to staff about their responsibilities under the legislation and under duty of care, and the kind of authority that they have to maintain good order. The Keeping Our Workplace Safe program involves an injection of funding for the next short period, additional to that which we already provide. As the member knows, psychological services are available to support schools in dealing with children with particularly high-end behavioural needs problems. As the member will remember, we have previously redesigned our whole approach, and we now invest in the school of behaviour, a coordinated approach across the state, and we are investing more than \$26 million across the state, with outreach as well. It is multilevel, so we are putting more emphasis and more support at the school level. We have an outreach service, and the member might remember that we opened the Midland Learning Academy for a small group of children with particularly problematic behaviours, and we have the engagement centres. We have all the strategies that the member might already be familiar with, and then recently, in addition to that, more than

\$1 million has been allocated for additional professional learning for staff. We are also involved, as a department, in the government's Target 120 approach, under which we will work with individual students across government and across agencies.

Mrs L.M. HARVEY: Is the department anticipating or looking at putting security guards into any schools that have particularly intense problems?

Mr P. PAPALIA: I am informed that the department has no plan generically across the agency to employ security guards. On occasion it has done so in response to specific requirements.

Mrs L.M. HARVEY: How many schools have had security agents allocated to them?

Mr P. PAPALIA: I am informed that it is very rare. The director general does not have that information to hand, but she indicates that security guards have been used at a school on only one occasion this year.

[9.40 am]

Mrs L.M. HARVEY: Can I request that information by way of supplementary information?

Mr P. PAPALIA: I am not sure about that. I am not inclined, on behalf of the minister, to reveal the schools, but the member may want something like the number of occasions or how often they have been employed in a financial year or something like that, and it could potentially indicate timing. I do not think it is in the interests of the public or the particular school communities to name specific schools.

Mrs L.M. HARVEY: I will take the supplementary information that the minister is willing to provide. Could I request by way of supplementary information the number of occasions that security guards have been allocated to schools for each month of the calendar year 2017 and the year to date for 2018?

Mr P. PAPALIA: I undertake to provide by way of supplementary information the number of occasions and which month —

Mrs L.M. HARVEY: Just a month-by-month assessment.

Mr P. PAPALIA: I will provide the number of occasions and in which month security guards were employed by the Department of Education for the calendar year 2017 and the year to date for 2018.

[*Supplementary Information No B2.*]

Mr P. PAPALIA: The information I will provide the member, because it is available to the director general ultimately, is for when central office has funded those occasions.

The CHAIR: Minister, just for clarity, can you just go through your supplementary information again? It is supplementary information B2.

Mr P. PAPALIA: We are just not sure whether they would be able to identify that. I undertake to provide by way of supplementary information to the member the occasions on which security guards have been employed within the Department of Education on a month-by-month basis for the calendar year 2017 and the year to date for 2018.

Mrs L.M. HARVEY: Just so I can understand this, the department will fund security guards —

Mr P. PAPALIA: It is okay; they will include all of them.

Mrs L.M. HARVEY: Are the schools empowered to employ security guards as well?

Mr P. PAPALIA: It is done through a contract, so they will be able to find out whether anybody has used them.

Mrs L.M. HARVEY: Does the department keep track of when weapons—knives and other such things—have been seized from children or from visitors to the schools?

Mr P. PAPALIA: Yes.

Mrs L.M. HARVEY: Could I also have provided by way of supplementary information the number of weapons seizures that have taken place for each month of the calendar year?

Mr P. PAPALIA: Yes.

The CHAIR: Minister, would you outline what you will provide by way of supplementary information, please?

Mr P. PAPALIA: Can I ask the member for a bit more clarity around the question, because I am informed that sometimes people call a stick or a rock a weapon? Is the member specifically referring to knives and weapons of that nature?

Mrs L.M. HARVEY: I would like some information on the number of seizures of weapons that have occurred in schools for each month. Obviously, if a brick has been used as a weapon, it would be included as a seizure. It could be a knife or a stick or whatever it is that has been brought into our schools to try to perpetrate violence or that has been used in our schools to perpetrate violence.

Mr P. PAPALIA: Rather than group them together into some sort of generic weapons category, which would be deceptive and not necessarily helpful, I would prefer it if it were something specific. Is the member talking about a blade or something of that nature?

Mrs L.M. HARVEY: To get specific then —

Mr P. PAPALIA: A kid could pick something up to hand and it could be deemed a weapon at that point, but it might not be a weapon that has been brought onto the school premises; it could be just a rock in the school ground.

Mrs L.M. HARVEY: Could I get by way of supplementary information the number of seizures of weapons—such as knives, tyre levers or anything that would not ordinarily be found at school—that have been brought onto a school premises that could be used to perpetrate violence?

Mr P. PAPALIA: I undertake to provide to the member for the calendar year 2017 —

Mrs L.M. HARVEY: And the year to date?

Mr P. PAPALIA: — and the year to date for 2018 the total number of weapons—such as knives, tyre levers and things that would not normally be found on the school premises—brought onto school grounds.

[Supplementary Information No B3.]

Mrs L.M. HARVEY: Is a catalogue of those kept? Are they photographed?

Mr P. PAPALIA: I am told that it is just reported. The critical incident reporting includes things of that nature. They do not keep photos or things of that nature.

Mrs L.M. HARVEY: But when weapons like that are seized on school property, are they turned over to the police? What happens to them?

Mr P. PAPALIA: As the member will be aware, once the police become involved and it is a police investigation, clearly things of that nature would become part of the investigation and would be the responsibility of the police to secure. In the event that it is not a police investigation, I assume that that is not the case.

Mrs L.M. HARVEY: I know that I am labouring the point, but it is an issue that has been raised with me. Going back to the department's training and initiatives to try to support teachers, do teachers and other employees at the school get specific training on how to defend themselves? For example, I know that police provide specific training to pharmacy employees so that they can defend themselves if they are involved in a robbery and they are given information on what to do should that happen. Do teachers receive that training?

Mr P. PAPALIA: I am going to ask the director general to answer that.

Ms S. O'Neill: The department provides to schools de-escalation training and professional learning of a similar nature, which is really more about, in a moment when children are either misbehaving or being aggressive, how to de-escalate that incident. We have not provided to date and we do not provide self-defence training, although some schools have undertaken that themselves, but we have not provided it at a system level. Right now the minister is giving thought to a range of policy matters in this area, because we have seen in the media recently at least an increased reporting of more aggressive events. Some of the matters that the member is raising are really front of mind for us. We are working closely with police. In fact, the professional learning that I referred to previously, which will be provided right around the state, is being done conjointly with police representation. The matters that the member raises are important for us. Certainly, for most schools this has not been, is not and remains not, an issue, but in some schools we have seen an increase.

Although we do not have plans to generically run the sort of training that the member referred to, but perhaps how to deal with an aggressive community member, child or parent for that matter, we are giving thought to how we might skill our people, even just to be aware of the situations in which that sort of tension and aggression is escalating in the first instance. These occasions are rare in schools. Unfortunately, we have seen some of those moments when people have brought something into school and it is usually as a result of a problem that has occurred outside school that then gets played inside school. The matter of policy is something for the minister to talk about. We are discussing how best we prepare our staff to manage all students, and from time to time more difficult students who most often are involved with other support, including other agencies. As I referred to before, we are working on Target 120. We are in deep collaboration with other agencies around specific children.

[9.50 am]

Mrs L.M. HARVEY: Further to this, how many teachers and Department of Education staff have been injured as a result of these sorts of activities?

Mr P. PAPALIA: The information that is available is not refined to the extent that the member is asking. I am pretty certain that I understand where she is going with the specific question. The data that is retained relates to any type of assault and includes those assaults committed by students with disabilities that happen on a quite regular basis just as a consequence of their management. If the member is talking about injury, a whole spectrum

of types of injuries can occur. The workers' compensation scheme is always responsible for dealing with these situations post the incident. The agency does not have specific granular-type detail on those incidents to answer the member's question.

The CHAIR: Members, we have been on this line of questioning for almost 20 minutes. Is there a further question?

Mrs L.M. HARVEY: The minister has now spoken of workers' compensation. I am not talking about an individual with disabilities managing an injury, for example, or someone having a seizure and injuring a teacher and the teacher managing that; I am talking about students who are violent who come to school and assault a teacher. I would have thought that the department would keep that detail separate from other injuries. It is great that a person can lodge a workers' compensation claim for that, if it is an injury, but should some other form of compensation be given to those individuals rather than workers' comp or are other payments made to those teachers if they are injured?

Mr P. PAPALIA: The process and the support provided to teachers in the circumstances the member is referring to remain unchanged from when she was in government. The workers' compensation system is responsible for supporting people who have been injured in the workplace. With respect to the nature of the injury, despite the member's suggestion that it is a simple thing to define an assault and separate it from other types of injuries sustained as a consequence of student interaction with a teacher, I do not think that is necessarily an easy thing to do all the time. I am familiar with schools in my electorate, for instance, when some children, as a result of the nature of their condition, can inadvertently or unintentionally assault somebody. That happens. Teachers can be injured as a consequence of those sorts of interactions. I am informed that there is not the sort of granularity that the member is hoping for with respect to separating injuries as a consequence of an assault with a weapon or whatever circumstance the member is referring to. I am also informed that the incidents are not always necessarily reported but the staff may then go through the workers' compensation system to achieve some sort of compensation as a consequence of the impact. It may be something that they do not deem worthy of reporting to the department.

The CHAIR: Members, we are now at 20 minutes. The member for Roe has been waiting very patiently. The standing orders do state that the questions and answers should be short. Member for Scarborough, you have asked an additional 10 questions to your first question, so this is the last one.

Mrs L.M. HARVEY: The director general said that a small number of these sorts of assaults occur in schools. To back up that claim, is the department considering separating injuries that result from a violent incident with a student as opposed to other injuries against teachers and staff at the school? That would seem to be the logical thing to do—to separate them to prove that a small number of these incidents occur in schools. Will the department undertake to change the way that these incidents are recorded to back up that claim that they are very rare?

Mr P. PAPALIA: It is interesting that it has become the logical thing to do now, noting that a short time ago the member was in office and she was associated with a training portfolio, which had that level of responsibility, and it was not logical at that time evidently or for the previous eight and a half years. To what end? The agency is already responding to the potential threat from this type of incident, as the member heard from the director general. A range of measures is in place to respond and support the education department staff to threats of this nature. They already understand that they might be anticipating a very small number of incidents. I am not sure what benefit is to be achieved from adding additional workload and separating that type of incident. It may be possible. I will ask the director general to perhaps respond more fulsomely.

[10.00 am]

Ms S. O'Neill: When an event such as the member is referring to happens, the school is expected to lodge an online incident notification system. That has always enabled us to get a quick response. When there is an event like this, the online notification system brings a report in very quickly. On that basis, we are able to provide support directly either to an individual or to the school. At that point, if it is alleged that the staff member has been assaulted or, indeed, has been assaulted, it is up to an individual whether they approach the police to report the assault. We support them and give them guidance in that respect. We also immediately offer them medical assistance. A school can take the person away to receive medical assistance. Counselling is also available for the individual and their families. Quite a wraparound service is provided. Obviously, workers' compensation is available to them and, with that in mind, as the minister said, various claims can be made for injury, and the categories do not specify "physical assault as a result of a weapon". We are interested in supporting any employee of ours who is injured for any reason—violence or otherwise. We want to ensure the individuals, staff members and students around them get the immediate help they need and follow-up help if they are impacted by an event such as this. My comment was anecdotal regarding the numbers of violent assaults as a result of weapons being brought to school, which is what the member referred to. Obviously, a greater number of assaults are included in that category, which the member did not refer to—for example, in an education support setting when a child flails their arms and someone is injured. I am not talking about that. When I referred to a small number, I meant anecdotally and regarding violent incidents in which weapons have been brought to school. I can talk about that with some confidence because each and every one of those cases comes to the attention of people in my office and support is given appropriately.

Mr P.J. RUNDLE: I refer to the heading “Establishment, Operation and Maintenance of Residential Colleges” on page 298 of budget paper No 2 and note that the total number of employees falls by one position from 114 to 113. Can the minister explain this difference given the closure of Moora Residential College?

Mr P. PAPALIA: Is the member suggesting that there should be a significantly higher reduction as a consequence?

Mr P.J. RUNDLE: Given the government’s forecast closure of Moora Residential College, I assumed that there would be a larger reduction in the number of employees.

Mr P. PAPALIA: The hostel has not shut yet, so the staff are still required.

Mr P.J. RUNDLE: No, I am talking about the 2018–19 year in which the number of positions drops by only one.

Mr P. PAPALIA: It is a net figure. At the time of framing the budget, there were already six vacancies across residential hostel establishments and with the closure of Moora Residential College next year, there will be a reduction of seven positions, which will have a net impact of one position halfway through the financial year.

Mr P.J. RUNDLE: The minister is saying the number of positions will be reduced by one. Can the minister outline the savings that will be attributable to the closure of the college?

Mr P. PAPALIA: Is the member getting at the entire savings? At least \$8.7 million will be saved by not having to restore the hostel to a safe working condition and, subsequently, the ongoing operating costs associated with the annual operation of the facility. If the member is talking about the number of full-time equivalent positions, there is a net impact of one at the moment because there were six vacancies. I am informed that the net impact is \$378 000 due to the reduction in FTE. That is the net impact. If we were to remove seven positions from the entire total and assume that the other positions were already filled, I imagine it would be significantly more.

Mr S.K. L’ESTRANGE: The second dot point on page 292 under significant issues impacting the agency states, in part —

Areas for budget reductions in the Department were identified for 2018–19 and beyond.

Can the minister list all the areas that were identified for budget reduction?

Mr P. PAPALIA: That was last year’s budget and the forward estimates continue in accordance with last year’s budget. These savings measures were announced last year and were subject to a significant amount of focus at the time.

Mr S.K. L’ESTRANGE: Given that the sentence appears in this budget, which states that areas for budget reductions in the department were identified for “2018–19 and beyond”, and given that some members of the community and the Parliament may not know what has been identified for budget reductions, and in the interest of gold-standard transparency, can the minister please list those areas and the amounts of the reductions for each area?

Mr P. PAPALIA: I do not have to list them; they are already listed on page 291 of volume 1 of the *Budget Statements*. If the member goes to the table under spending changes at the bottom of the page, he will see that a significant number of items are listed. If the member looks through the forward estimates, he can identify for himself, in a rolled-gold standard of transparency, the list of all the issues to which he has referred. They are listed in the budget, as they were last year.

Mr S.K. L’ESTRANGE: Maybe the minister can assist me to read the budget more carefully. Can the minister show me where Herdsman Lake Wildlife Centre is listed in this budget?

Mr P. PAPALIA: If the member is going to pretend that he has not already interrogated this issue significantly for a prolonged period with a borderline boring level of focus last year, subsequent to last year’s budget, then he is really stretching our friendship. That issue has been canvassed, as have a significant number of others relating to what I would call “school camps”, what he might call “camp schools” and what I would call “hostels” and what he might call “colleges”. These issues were canvassed for a significant period in great detail. I do not think the member will add anything by pursuing it in this estimates process.

Mr S.K. L’ESTRANGE: Although I appreciate the minister’s advice, I am trying to clarify this: I asked the minister to list all the things that apply to the statement “Areas for budget reductions in the Department were identified for 2018–19 and beyond”. The minister said they are all listed in the budget —

The CHAIR: What is your question?

Mr S.K. L’ESTRANGE: I am asking whether anything is not listed in the budget that relates to that second dot point.

[10.10 am]

Mr P. PAPALIA: No, because this issue has already been well and truly canvassed, as I said, in questions in not only the lower house, but also the upper house. Should the member wish to interrogate the matter further, I refer him to question without notice 143 asked in the upper house by Hon Donna Faragher to the Minister for Education and Training, which was responded to at 5.09 pm on 10 April this year. The information in relation to that question without notice provides the sort of detail that the member for Churchlands is asking for. A comprehensive list and pages of stuff were incorporated in that answer. I also refer the member for Churchlands to question without notice 198 on 8 May 2018, again asked by Hon Donna Faragher. It again focuses on detail associated with the sort of stuff the member is after. There has been more than adequate provision of information and detail regarding the question the member is asking. I do not believe anything more needs to be provided.

Mr S.K. L'ESTRANGE: Can the minister confirm, because this is an Assembly estimates hearing and I appreciate that questions have been asked in the other place, whether he will provide a list for the Assembly to answer my question?

Mr P. PAPALIA: No. It is a Parliament. I do not know how the member's party works, but we actually talk to each other in our party, regardless of which house we sit in. I know Liberal Party members are free range in the upper house and that the Leader of the Opposition has little control over what his parliamentary colleagues in the upper house do, say or pursue, but I think that the member is more than capable of going to the upper house *Hansard*, googling the numbers that I have given him and finding the responses provided on both occasions. I reckon that that is more than adequate provision of information for lower house estimates. If the member really wants me to, it has been suggested that I could read out the answers, but I do not want to inflict that on anyone.

Mr P.J. RUNDLE: I refer to agricultural colleges at the top of page 308. What is the structure that surrounds the delivery of education to agricultural colleges?

Mr P. PAPALIA: I will ask the director general to respond.

Ms S. O'Neill: The overall structure is that we have agricultural colleges, which the member is aware of, and they have councils or boards at the local level. They have some responsibility and oversight. At the corporate level, the executive director of statewide services has responsibility for agricultural education, and he is sitting behind me here. Under that structure is an assistant executive director and then a director, each of whom have responsibility in line for the oversight of agricultural colleges. Then there are staff members in that area who work directly with the agricultural colleges and then make connection, obviously, to the schools on the ground, all of which I understand are independent public schools and, so, operate certainly under that guise as well.

Mr P.J. RUNDLE: Has the original director's role been replaced?

Mr P. PAPALIA: I will ask the director general to respond.

Ms S. O'Neill: Historically, there was a director of agricultural education. With the advent of independent public schools, whereby they make those governance decisions for themselves, the director of agricultural education position is no longer there, but there are people in statewide services who have responsibility for supporting agricultural schools.

Mr P.J. RUNDLE: If that position has been replaced, as you say, how does the department manage agricultural education? Are you comfortable with the way it is being managed under the new structure?

Mr P. PAPALIA: Is the member asking the minister or the director general?

Mr P.J. RUNDLE: I ask the minister, and may need to ask the director general to reply.

Mr P. PAPALIA: I will ask the director general to respond.

Ms S. O'Neill: Yes, I am comfortable. As they are independent public schools with their own boards, the governance in place is appropriate. Obviously, all the checks and balances are in place through the ordinary governance procedures—audit, if you like—the oversight that we have of budgets; the work we do with them for staffing. The quality assurance procedures that give me the confidence for all public schools are the same quality assurance processes that give me confidence over the agricultural colleges. In addition, the principals of those colleges, as the member is aware, are expert in their field. They are able to get direct support when they need it from not only each other but also statewide services. I am confident that they are well supported. I am confident that they have the appropriate expertise to undertake their roles and I believe our quality assurance processes will bring forward any issues and trends as they emerge.

Mr P. PAPALIA: Some of them even get to become members of Parliament and lead political parties.

Mr P.J. RUNDLE: Given the 20 per cent skimming, as I call it, of the agricultural trust fund, have any of the ag colleges asked for any additional money for the purchase of equipment and so forth?

Mr P. PAPALIA: The member knows that that is a bit of a cheeky question, because the agricultural colleges are fully funded for their operations. Their operations are in the Education budget and are fully funded from the department. The member knows that on occasion that trust is drawn upon to augment equipment replacements or

additional investments of that nature, and the trust does not operate in the same way as a normal trust. It is a fund, essentially, that can be drawn upon, and it has never be fully drawn down and I do not anticipate that it will be. I expect that even with the contribution that has been called for from the department or from the government, there is more than adequate funding to meet the occasional requirements that in the past were addressed through that fund.

The CHAIR: That was your final further question.

Mr P.J. RUNDLE: I did not really get the answer. Have any of the ag colleges asked for additional money?

Mr P. PAPALIA: No.

Mrs L.M. HARVEY: The fifth dot point from the bottom of page 292, under “Significant Issues Impacting the Agency”, is about resilience, emotional regulation and the behaviour of children. Bullying in schools is a really big issue, particularly cyberbullying, which exists as a result of mobile phone usage. I know a lot of private schools are now considering banning mobile phones at school because of issues that come from not only bullying but also violent incidents, which we referred to previously, that are recorded and transmitted on mobile phones to help perpetrate, if you like, and endorse that behaviour. I am wondering whether, as part of the policies that the department is putting together, the department is considering banning mobile phones in schools?

Mr P. PAPALIA: I will ask the director general to respond in a minute, but I make the observation that plenty of private schools do not ban mobile phones, as evidenced by the recently significant incident at Hale School, I think, that was filmed and broadcast on social media. I ask the director general to respond.

[10.20 am]

Ms S. O’Neill: It is a vexed question. Some of our schools have tried to ban mobile phones, with varying degrees of success. I understand why some people might want mobile phones banned. Some of the issues around that include that parents want their children to have phones on the way to school and on the way home from school. Issues relate to the collection and storage of phones. Schools are really busy places; some of the schools in the member’s area are huge, so there is an issue around the capacity to be able to manage the collection of one phone, let alone the multiple phones that some children seem to have. There is just a practical issue about how they go about that. We are in close contact and work with people like the eSafety Commissioner. The ministerial council is looking at cyberbullying and the use of social media in relation to that. We are also working with Donna Cross from the Telethon Kids Institute. There are different schools of thought. A major school of thought is that children have to be taught how to use mobile phones and social media appropriately, so that has been a big focus of our work. There is nothing inherently problematic with phones themselves; it is how they are used. We have come more from a prevention perspective, largely across the department. We are doing a lot of work in that respect. We do not have a policy about mobile phones being removed from students. We would prefer at this point to have that as a case-by-case consideration for schools. For some schools this is not an issue, but for others it is, so it is very hard for us to really have a policy position that covers 809 schools and their particular contexts. To date, the policy position is that we would leave that to principals and their school boards and councils to decide, but the principle underlying all that work is prevention, good use of social media, healthy use of social media, and dealing with bullying as it arises.

Mrs L.M. HARVEY: Just further to that and this dot point, how many schools have actually attempted to ban mobile phones?

Mr P. PAPALIA: I am informed that the central office does not collect that information.

Mrs L.M. HARVEY: Further to this dot point about mental health issues for our children, how many school psychologists does the Department of Education currently employ across the network for primary schools and high schools?

Mr P. PAPALIA: I am told there are 336.9 full-time equivalents.

Mrs L.M. HARVEY: Is there a breakdown between metropolitan and regional psychologists?

Mr P. PAPALIA: I undertake to provide to the member through supplementary information a breakdown of the distribution of school psychologists. Actually, rather than doing that, I am told that we have the information region by region. Would that do?

Mrs L.M. HARVEY: I was actually going to ask if we could have it by school district, yes.

Mr P. PAPALIA: How about we just read it out? In fact, I will ask the director general to read it out and then we can have it on record.

Ms S. O’Neill: In the goldfields region, as at 3 May, FTE 13.5, headcount 15; Kimberley school psychologists, same date—I will just use the same construction—FTE 15.41, headcount 16; this does not include casuals. School psychologists in the midwest, 13.63 FTE, 15 headcount; north metropolitan, 132.7 FTE, 168 headcount; Pilbara, FTE 15.86, headcount 17; south metropolitan, 109.97 FTE, headcount 137—there are quite a few part-timers, I think, in there; south west, 35.06 FTE, headcount 44; and, wheatbelt, FTE 12.9 and headcount 14.

That might not tally exactly with the overall number given because they might be slightly different pay dates, but the one I gave the member was for May.

Mrs L.M. HARVEY: Thank you.

The CHAIR: At this stage I have been asked whether we can have a five-minute break until 10.30. The minister needs a comfort break.

Mr P. PAPALIA: I am old!

The CHAIR: Yes, you had that coffee!

Meeting suspended from 10.26 to 10.33 am

The CHAIR: I give the call to the member for Roe.

Mr P.J. RUNDLE: I refer to page 301 of budget paper No 2 and the line item “City Beach Residential College”, which is two-thirds of the way down the page. What have student numbers at the college been over the past five years?

Mr P. PAPALIA: The number of students at City Beach hostel in 2014 was 57; in 2017, it was 54; in 2016, it was 56; in 2017, it was 52; and in 2018, it is 52.

Mr P.J. RUNDLE: What are the future projections for the college?

Mr P. PAPALIA: As the member has heard, the numbers are fairly stable, so it is a bit difficult to anticipate. It would be subject to fluctuations in the event. Maybe if there is a really good season this year, there might be more children going to private schools rather than to the state school system, but, that aside, it looks to be a pretty stable number of around 54 to 56 students.

Mr P.J. RUNDLE: Given the figure of \$5 million in the 2018–19 budget estimates, what are the additions and improvements in relation to that figure going to be?

Mr P. PAPALIA: I might ask Mr Fischer to respond to that question.

Mr J. Fischer: The total budget for City Beach Residential College is \$6.4 million and work has already commenced. It provides for additional admin and recreational areas for the college. The member might know that some of the cafeteria areas, or the dining areas, are currently located at City Beach high school, and that is being developed back at the residential college.

Mrs L.M. HARVEY: The outcomes and key effectiveness indicators on pages 294 and 295 refer to years 5, 7 and 9 students achieving the national minimum standards. I am interested to know how many schools trialled NAPLAN Online this year.

Mr P. PAPALIA: It was 273 schools.

Mrs L.M. HARVEY: Did any of the schools that were to do NAPLAN Online end up being unable to complete the tests because of internet issues?

Mr P. PAPALIA: One school started off online and then went to paper completion. It was Adam Road Primary School in Bunbury. It was due to wi-fi issues, apparently.

Mrs L.M. HARVEY: Only one school that intended to did not complete NAPLAN Online because of a wi-fi issue.

Mr P. PAPALIA: The process is still underway, so it may change, but I am told that at this time. NAPLAN is over a range of years and that was a primary school test that was interrupted. Sorry, the process takes time and 73 per cent of schools have completed it, but some are still doing it.

Mrs L.M. HARVEY: So, 33 per cent of the schools have completed —

Mr P. PAPALIA: No, 73 per cent have completed it. I might get the director general to explain the detail.

Ms S. O’Neill: Just to make sure that we have all the detail, it is across a couple of weeks, but as of 21 May, 73 per cent of the total NAPLAN Online sessions had been completed. Schools might be doing it over a period of time, so 73 per cent of all these sessions have been completed successfully, with 27 per cent of the assessments still being done during this week. We receive a day-by-day update from the people who run the total project nationally and also through the School Curriculum and Standards Authority, which is the testing authority in the state that has oversight. When there are problems, people will ring in and get assistance, but it is a pretty fantastic outcome to have only one school that had to revert to paper. SCSA and the department had in place that contingency plan that if something was problematic in terms of their wi-fi—remembering that we are still learning through this process—they would be able to revert to paper and pencil based on the principal’s advice and in discussion with the testing authority so that there would be no disadvantage to any student. That is a pretty good outcome. Most of those are public schools and I think a handful of them are private schools. We work with all our

schools to ensure that they have the capacity to undertake the testing using wi-fi. It will be interesting for us to go through what the issue at this school was—we have done that—to ensure that it is okay for the rest of the testing period and to learn from any of those occasions for when we go full scale over the next couple of years.

[10.40 am]

Mrs L.M. HARVEY: When is it intended that NAPLAN will go 100 per cent on line?

Ms S. O'Neill: Most public schools will be online by 2019, and all schools are required to by 2020.

Mr P.J. RUNDLE: I refer to the table on page 308 of the *Budget Statements* with the heading “Net Appropriation Determination” and the line item “Physical Education Camp School Receipts”—about four lines from the top. How many of these camp schools will be taken over by private providers?

Mr P. PAPALIA: The process is still underway but I understand it is anticipated that all of them will, with the exception of the Broome Camp School because that has been retained.

Mr P.J. RUNDLE: Will the Department of Education have oversight of the operation of the camp schools when they are taken over?

Mr P. PAPALIA: When the member refers to “oversight”, what does he mean? They are not schools. This is a misnomer. I do not know how many people in the chamber attended one when they were in school but I did when I was a kid and there was no school stuff going on. There was a lot of fun by the way of outdoor education and that sort of stuff and getting away from school. The reality is that they are camp sites. I share the view that what goes on at those sites is not core education department activity, but it is a valuable activity and can be delivered by the private sector through the management of those sites in the same way that many other similar private sector-operated venues provide a service to the education department and the private sector right now. The director general wants to give the member another answer.

Mr P.J. RUNDLE: Sounds good.

Mr P. PAPALIA: I suggest that it is an “additional” answer.

Ms S. O'Neill: It is a complementary answer. I just want to make it clear that the Point Peron school camp is owned by the Department of Biodiversity, Conservation and Attractions and the Dampier school camp is owned by Rio Tinto. We have leased those camps. To add to the minister’s answer, when we seek those alternative providers, we will be working with them on their applications and proposals to ensure that schoolchildren at camp feature and are a priority. Those camp sites and providers will also have relationships with the owners of some of those properties.

Mr P.J. RUNDLE: My understanding is that camp schools provide an element of curriculum and that employees from the Department of Education work in the camp schools, so once the contract is in place, will the department have oversight of those things?

Mr P. PAPALIA: My understanding is that the misnomer or the nomenclature of “school” was attributed to these sites as a consequence of the administrative process within the education department. Essentially, when people who are employed by the education department work at a camp site, it has to be called a “school” for the purposes of administration. As I said before, it is an absolute stretch to suggest that a camp site is a school. It is not a school; it is a camp site. I went to the Point Peron camp as a kid, and I do not believe that anything has changed in the nature of the services provided at those sites. They provide a valuable opportunity for kids to get away from school to experience physical activity in a natural environment and to undertake camp activities, which is a valuable thing. But there is no reason that that cannot be delivered by anyone in the same way as it is right now at the Nanga Bush Camp, for example. I would assume that some state schools use that site, as do many other private schools. They also use other school camp sites for taking their kids away on excursions. An important observation indicated to me by the director general is that whenever kids go to these sites, the teachers from the school that provides the children accompany the children. They retain all their responsibilities with regard to duty of care and the delivery of curriculum. If they intend to provide some sort of out-of-classroom experience that links to what they are doing back in the classroom, it is the teachers from the school who go on the camp and provide that—not the camp-site administrators.

Mrs L.M. HARVEY: I refer to spending changes at page 291 of the *Budget Statements* and the line item “Growth Funding—Revisions to Student Enrolment and Cost Growth Forecasts”. I note the estimate in 2018–19 is around \$1.4 million, which increases to \$24.786 million in 2020–21. Last year, however, for 2018–19, the budget showed a revision down of \$22.4 million for 2018–19, which has now been revised back up —

Mr P. PAPALIA: Sorry, what was that last bit?

Mrs L.M. HARVEY: Last year, the growth forecasting was significantly revised down and it now seems to have swung back up significantly. I want an explanation about how last year’s budget revised down the cost growths of \$22.4 million in 2018–19, \$58.05 million in 2019–20 and \$119 million in 2020–21, when this year it seems to have been revised back up? I want an explanation as to how those swings can occur.

Mr P. PAPALIA: It is just a shift in the census data as a consequence, I would assume, of the wider economic factors at play. In all likelihood, in Western Australia, a greater number of people no longer have the capacity to enrol their kids in private schools and have shifted them back to the public sector. I agree with the claim that has been made in the past that the public sector is providing a great product and is attractive to parents and is therefore drawing a greater proportion of the overall student body back into the state system. That is a component as well. A census was done and it identified that the projections in the previous budget were not adequate to accommodate the growth now foreseen, so the number has changed and the budget then shifted to respond.

[10.50 am]

Mrs L.M. HARVEY: Can the minister give me an indication of the indicative student growth figures that sit behind those changes?

Mr P. PAPALIA: It is just that the number has exceeded the anticipated number. There was obviously a shift, and we can speculate about what drives it. It would be not hard to suggest that in the past a number of people might have had confidence in their employment, which enabled them, were they so inclined, to enrol their kids in the private sector, and subsequently that has changed. That may be a contributing factor. It may be that the public sector is seen as an attractive option. Regardless of the motivations, the numbers have shifted and the budget had to respond. We had projected a lower anticipated growth than was achieved. This year, post-census, the growth rate was confirmed at 1.7 per cent, and that was not anticipated. Subsequently, the modelling reflects that shift and there is a continued growth in numbers as a consequence of this number growing this year. We can anticipate the retention of a proportion right through the school years and that gives growing numbers in the out years and additional costs as children go through the school system. All those factors contribute to the need to anticipate growth in the budget. I confirm the record amount of spend for education projected into the future.

Mrs L.M. HARVEY: I refer to the line item for the voluntary targeted separation scheme in the same table on page 292 of budget paper No 2. What is the target for full-time equivalents to achieve those savings from the VTSS?

Mr P. PAPALIA: There is no actual target other than the overall one that the Treasurer has articulated in the public domain on a number of occasions, which is around 3 000. I think by now we have exceeded 2 000 across the public sector. We are looking to achieve further VTSS numbers in the near term.

Mrs L.M. HARVEY: Has this just been done with an allocation to the budget of what needs to be reduced?

Mr P. PAPALIA: I can tell the member how many have been achieved in the education department to date.

Mrs L.M. HARVEY: Yes, please.

Mr P. PAPALIA: There have been 234.

Mrs L.M. HARVEY: Have those 234 cost the \$16.65 million allocated for this year? What has been the cost of those 234 voluntary targeted separations?

Mr P. PAPALIA: The funding to meet the obligations associated with that number is \$21 million. Obviously, the savings are far in excess of that over the forward estimates once that cost is accommodated.

Mrs L.M. HARVEY: When did the scheme start?

Mr P. PAPALIA: It started late last year.

Mrs L.M. HARVEY: If 234 redundancies have been achieved for \$21 million —

Mr P. PAPALIA: That is the payout to them for the voluntary targeted separation scheme.

Mrs L.M. HARVEY: Is the \$16.652 million allocated for this year's budget a proportion of the \$21 million? Was some of that paid from last year's allocation?

Mr P. PAPALIA: The figure is \$21.519 million and that is the cost associated with the payout, but savings of \$4.867 million were realised in this budget year as an immediate consequence, so we subsequently get the net outcome.

Mrs L.M. HARVEY: That clarifies it for me. I thank the minister.

Mr P. PAPALIA: That is where the figure came from. The moment that is done, savings start to be accrued and they continue through the forward estimates, but they are attributed in the financial year in which they are achieved.

Mr P.J. RUNDLE: I refer to the second last dot point on page 292 of budget paper No 2, which relates to the provision of childcare facilities in schools. What schools are being considered for day care sites on school premises?

Mr P. PAPALIA: I am interested in this one too, member! I will let the director general respond.

Ms S. O'Neill: The policy of the government through Educare was to make provision into the future of some school sites for long day care. The Department of Education does not operate long day care, but in some schools we have the opportunity to give land for buildings to be built there and to be operated. Just to be clear, we do not operate the long day care and it is not the intention. The Educare policy was to be sympathetic to families with

young children going to school and being in day care. Many of our primary schools already have facilities that are appropriate for out-of-school care, so several hundred schools have out-of-school care—before and after-school care—and that is a deed of licence. Separately to that, we do not run long day care, but the policy states that into the future, when no long day care is available nearby, because we do not want to duplicate services, there needs to be some provision to accommodate long day care. At some of the schools coming forward in the near future—new schools—we would have already had that land, so the footprint might not be large enough to set aside land for long day care, but as we look at land acquisition in the future, extra land will be required to accommodate long day care. It is not going to be needed at every school site, because something might be nearby, but we will need to undertake that forward planning. That is the policy. It is future oriented and we are undertaking planning to ensure that any new land acquisitions are able to accommodate that, if that is a local area need.

Mr P.J. RUNDLE: Does the minister have any idea how much funding will be allocated to regional schools for that?

Mr P. PAPALIA: As I understand it, the policy is that land to be allocated for future use for those purposes is identified at new school sites in advance. The cost is not identified separately; it is just part of the school site. It is more a process, so there is no cost attached to ensuring that there is a capacity to enable it and then going to the private sector. In fact, developers provide the land as part of growing developments anyway. The land is there, so that does not cost the department, and allocating a proportion of it for this purpose does not cost the department either.

[11.00 am]

Ms C.M. ROWE: I refer to page 293 of budget paper No 2, in particular the government's goal of safe communities and supported families. I imagine that this goal would include the provision of chaplaincy staff. What funding is the state government committing to this program?

Mr P. PAPALIA: I ask the director general to respond.

Ms S. O'Neill: Chaplaincy is part of the suite of support mechanisms that we provide in schools. For 2018, the state government provides \$6.4 million as part of the in-school state-funded chaplaincy program. That provides for chaplains in school. Remember that commonwealth funding for chaplaincy is supplementary to that. A need for chaplaincy services was identified by 562 public schools. They each submitted an application, and they have either received direct funding or a credit for funding when they can recruit a chaplain. The state has committed \$21.9 million for pastoral care in the forward estimates—a continuing commitment to chaplaincy.

Mrs L.M. HARVEY: I refer to pages 112 and 113 of budget paper No 3. Revisions to international student training expenses equate to around \$36 million less funding required to train international students. There is a note on page 113 to the effect that the recurrent expenditure has been revised down by a total of \$31.6 million through the out years. Notwithstanding this, the government expects student enrolments to grow over the forward estimates period. If the government expects student enrolments to grow, why has it revised down the cost of training them?

Mr P. PAPALIA: This is the wrong division in which to be asking this particular question. It should be under training, rather than education.

The CHAIR: Member, are you happy to hold that question until the Training and Workforce Development division?

Mrs L.M. HARVEY: Yes, I will hold it over to training. Sorry—I was getting a bit ahead of myself.

Mr P.J. RUNDLE: I refer to the residential college minor works program mentioned on page 301 of budget paper No 2. Will any of this funding be allocated to Moora Residential College? I thought this was appropriate, now that the member for Moore has arrived.

Mr P. PAPALIA: The member is nothing if not persistent, and I think he already knows the response—no. This year's budget allocations for necessary maintenance to ensure the safe operation of the hostel until it closes has already been announced.

Mr P.J. RUNDLE: Is the minister comfortable that the facility is deemed to be safe for students?

Mr P. PAPALIA: That is what I was referring to. I am informed that necessary work to ensure the safety of the children at the hostel was completed in April. That facility is safe, and as we are aware, and as the member is aware, projected costings for necessary additional works, were the hostel to remain open, vary between \$7.2 million and \$11.2 million. The previous government identified a requirement for \$8.7 million. The present government has decided that it cannot justify that expenditure in the current circumstances. The budgetary measures necessary to repair the damage that we inherited dictate that we cannot spend that money on that site.

Mr R.R. WHITBY: I raise an issue relating to the service summary table at the top of page 294 of budget paper No 2. My question relates to federal funding and how that has impacted on Western Australia's spending on public education.

Mr P. PAPALIA: Can I ask the member specifically where the table refers to federal funding?

Mr R.R. WHITBY: There are two line items at the top of the table, referring to spending on primary and secondary public education. I am wondering what impact commonwealth funding has had on our spending on public education.

Mr P. PAPALIA: I am not sure that it is specifically related to that particular table, but there is an impact. The state is in negotiations with the federal government to try to mitigate that impact and return appropriate funding to the state from the federal government. I ask the director general to respond further.

Ms S. O'Neill: Currently, we have an interim agreement with the commonwealth government, and we are receiving our funding that way. The commonwealth's National Education Reform Agreement is currently being negotiated with the states. The member would have heard about the Gonski review. The funding element is being negotiated with the states, with the aim of it being in place from the beginning of 2019. As a state, we have historically funded students to a higher level, so the national agreement now looks at the school resourcing standard. We are already in excess of the school resourcing standard, so that is part of negotiations that would be undertaken. The Gonski report has just been released, and the point of that report is to describe the nature of the reforms needed as part of the negotiated funding that would come from the commonwealth to the states. We are in negotiations on that, and in fact it is due to go to the ministerial council in the next couple of weeks for the next part of that discussion to be undertaken. The commonwealth funding is part of our funding, although it is not the greater share—it is the greater share for non-government schools, but not for us. We are in the middle of that discussion right now, and until we finalise some of the aspects of that, we cannot determine the full impact of the commonwealth negotiations on our state budget. We are in the middle of discussions now.

Mr P. PAPALIA: It is probably worth quoting on Hansard because, as the director general indicated, we already spend far in excess of the national average per student for delivering education services in this state. If that is assumed to be the benchmark that we have to retain as our proportion of the ongoing contribution, that is completely unfair in comparison with states that have neglected their public sector education contributions, and will therefore, as a consequence, be given an unfair advantage. For having been less dedicated to education, they will be rewarded, and by coincidence, in reality, they will be the same states that have been receiving a disproportionate share of goods and services tax contributions from the federal government. The Turnbull government is basically setting Western Australia up to get thumped yet again. If this is the baseline, and the commonwealth is not rectifying the disproportionately unfair share of GST distribution to Western Australia, how on earth does it expect us to continue to maintain the highest level of funding per student in the country? It is totally unfair, it is irrational and it overlooks the fact that other states have been neglecting their education sector and are being rewarded for it. It also overlooks the fact that at the moment the GST distribution system rewards states that neglect the opportunities that reside within their commodities sector and do not pursue opportunities to develop mining potential. When we do that, we get penalised, and now we will get penalised again with the education distribution. It is outrageous. I expect every Western Australian member of both state and federal Parliaments, regardless of their political party, to condemn the federal government for this apparent plan to further penalise us. I have not heard much at all from the state opposition and I certainly have not heard anything from federal members of Parliament from the Liberal and National Parties—no, there are no federal Nationals; that is right. They have shown no interest in holding the Turnbull government to account on this matter. It is just a disgrace. It is a further impending disaster for our budget that will yet again be inflicted upon the state by the coalition.

[11.10 am]

Mrs L.M. HARVEY: I am somewhat confused by the minister's response. On page 308 of the budget papers under the heading "Grants and Contributions", the line item shows that recurrent commonwealth grants funding is \$729 million in 2017–18 and it will increase by 7.1 per cent to \$793 million in 2018–19, by 8.6 per cent to \$848 million in 2019–20, by an additional 11 per cent to \$949 million in 2020–21 and by 10 per cent to over \$1 billion in 2021–22. To me, those increases seem in excess of what the predicted student enrolment data is showing.

Mr P. PAPALIA: Is the member making a speech or asking a question?

Mrs L.M. HARVEY: Can the minister put in context his previous answer about the decline in commonwealth grants?

Mr P. PAPALIA: Happily. The problem is that, in the same way as the member's lot signed up for this unfair GST distribution plan that we are suffering from as a consequence many years later, her federal colleagues are demanding that we sign up to a distribution plan that assumes a disproportionately high contribution by our state government to education costs in the future. If we sign up to it, sometime in the future we will get a distribution from the federal government that might one day resolve a fairer outcome, but, in the meantime, it will just damage us yet again. We are not going to do it. I cannot say that we are not going to do it, but we are not inclined to be duded yet again by the federal government. Rather than the member defending the indefensible, and defending the federal government's approach to Western Australia, she should condemn it as well and urge it to provide a fairer distribution of federal government funds both through the GST and in education.

Mrs L.M. HARVEY: I am just asking the minister to explain what the increase in the recurrent commonwealth grants expenditure in the out years will do. I understand that a capital grants program has not been agreed to, but if recurrent expenditure will increase by seven per cent, 8.6 per cent, 11 per cent and 10 per cent in the out years, it flies in the face of the minister's commentary that it is decreasing. Is there some other area of income from the commonwealth that the minister can point me to in the budget papers to show that it is declining?

Mr P. PAPALIA: I just did, member. Effectively, we are getting strongarmed by the federal government to sign up to a dud deal to receive funding in another allocation. It is unfair. The member should condemn the federal government, not defend it. She should act on behalf of Western Australia and show some interest in the students of Western Australia. She knows that we already spend more per student to educate our students than any other state. It is not being acknowledged and recognised by the federal government. This ongoing process is quite disturbing. The member should be participating in the right team—team WA—instead of joining her Canberra colleagues and mates, as she has done on some other issues lately.

Mrs L.M. HARVEY: So the minister cannot explain what this is about.

Mr P. PAPALIA: I just explained it.

Mrs L.M. HARVEY: The minister cannot explain this line item.

Mr P. PAPALIA: Go back and read *Hansard*. I explained it.

Mr S.K. L'ESTRANGE: I refer to the appropriations, expenses and cash assets table on page 291 of the budget papers and to the total appropriation provided to deliver services to the Department of Education, which relates to the total appropriations provided by the state government for recurrent purposes. In the 2017–18 state budget, the government forecast total appropriations to deliver services of \$4.11 billion in 2018–19, \$4.12 billion in 2019–20 and \$4.2 billion in 2020–21, but in this budget, these appropriations have been reduced to \$4.04 billion in 2018–19, \$4.02 billion in 2019–20 and \$4.09 billion in 2020–21. This is a reduction of \$281 million over three years. Given that the spending changes table accounts for only \$140 million of these cuts, what other changes or cuts have occurred?

Mr P. PAPALIA: Member, there are no cuts. As has been publicly announced and attacked by those on the member's side, who imposed on the state forty thousand million dollars of debt—that is what they did —

Mr S.K. L'ESTRANGE: It was \$32.5 billion.

Mr P. PAPALIA: They should be ashamed.

Mr S.K. L'ESTRANGE: It was \$32.5 billion.

Mr P. PAPALIA: So the member does not believe in the forward estimates. His government built in costs that we have to meet. They do not magically disappear because it lost government.

Mr S.K. L'ESTRANGE: Just answer the question, minister.

Mr P. PAPALIA: The previous government built in costs that we have to meet; in fact, it built in costs that we have no indication how to meet and we have had to find further savings.

Mr S.K. L'ESTRANGE: I am simply asking where the rest of these reductions are coming from.

The CHAIR: Member for Churchlands, let the minister finish his answer.

Mr P. PAPALIA: The voluntary targeted separation scheme and our agreed wages policy of \$1 000 per person across the public sector, regardless of the person's job, category or scale of payment, have resulted in a reduction in that cost. That is a good thing. The previous government did not do anything. It gave the state 6.4 per cent year-on-year compounding growth in the public sector.

Mr S.K. L'ESTRANGE: The minister is not answering the question.

Mr P. PAPALIA: That is the imbalance that we have to rectify.

Mr S.K. L'ESTRANGE: The minister is lecturing me; he is not answering the question.

Mr P. PAPALIA: We are working on it. We made it very public what we were going to do about it and it was applauded by the Western Australian public.

Mr S.K. L'ESTRANGE: Yes, but the minister is not answering the question.

The CHAIR: Member for Churchlands!

Mr P. PAPALIA: That is why we were elected at the last election. We are delivering on what we told people we would do.

Mr S.K. L'ESTRANGE: The minister keeps pontificating. Just answer the question.

Mr P. PAPALIA: We are fixing the mess that we inherited from the previous government.

The CHAIR: Member for Churchlands, I will call you to order if you keep going.

Mr S.K. L'ESTRANGE: I say again that given that the spending changes table accounts for only \$140 million of these reductions, what other changes or reductions have occurred?

Mr P. PAPALIA: We inherited from the member's government a financial imbalance.

Mr S.K. L'ESTRANGE: So the minister is not going to tell us. There is no transparency.

Mr P. PAPALIA: Every single year the previous government spent more than it got. Any household understands that that will result in a disastrous outcome. Over time, it is unsustainable. We are repairing the previous government's mess. We hope that we can get to the point at which we are spending less than we are getting. We have forecast that to occur in 2020. Every department, every agency and every arm of government, including all of us in this place, are contributing through the voluntary targeted separation scheme and the wages policy and, in our case, as the member knows, through the frozen wages of judges and members of Parliament over the forward estimates.

[11.20 am]

Mr P.J. RUNDLE: I refer to the sixth dot point on page 292 of budget paper No 2, which relates to resilience, emotional regulation and behaviour of children. How many mental health coordinators will be assigned to schools, and what schools?

Mr P. PAPALIA: I might get the director general to respond.

Ms S. O'Neill: It was the government's election commitment to provide additional support to schools by way of mental health coordinators. There will be 300 mental health coordinators in schools. They will each get 0.1 time release, which I think is half a day. It is part of the focus on mental health for students that the department will continue to have. The member might remember that level 3 teachers—our most expert, senior teachers—will undertake this role. Three hundred of those teachers will receive additional training. They will get time release to deliver and coordinate mental health programs. That expression of interest is now complete.

Mr P. PAPALIA: We can provide the list of schools. I undertake to provide the member, by way of supplementary information, the names of the schools to which the mental health coordinators will be allocated.

[*Supplementary Information No B4.*]

Mr P.J. RUNDLE: Where will the funding for the mental health coordinators in regional areas come from?

Mr P. PAPALIA: The regional ones will be funded from royalties for regions allocations. The metropolitan ones will be funded through reprioritisation. The opposition will get a good deal yet again.

Ms E. HAMILTON: I refer to the outcomes and key effectiveness indicators on page 294 of budget paper No 2. I notice that the NAPLAN results of WA students have remained consistently high. How does this compare with those in other jurisdictions?

Mr P. PAPALIA: I might let the director general answer that.

Ms S. O'Neill: The results that the member is referring to are based on the NAPLAN results over some years. As she would know, as we just talked about it, that testing regime is being undertaken as we speak. Western Australia has been seen as a growth state as we are one of the fastest growing on the results. We did not start out at the top of the table with our results, but given the progress that we have made over time, we are deemed to be one of the fastest growing states. Western Australia's mean achievement score was above the base of 2018 in 12 of the 20 assessments. This has been really great for us. It is the highest number of improved mean scores of any state. That is on the back of some fantastic work done in schools and by our support staff, but primarily in schools. That stands out around Australia as a really great achievement. Mean scores across 12 out of 20 assessments is pretty hard to achieve so we are pleased with that result.

The appropriation was recommended.

Division 24: Training and Workforce Development, \$356 053 000 —

Mr R.S. Love, Chair.

Mr P. Papalia, Minister for Tourism representing the Minister for Education and Training.

Ms A. Driscoll, Director General.

Ms K. Ho, Executive Director, Service Delivery.

Mr S. Walker, Executive Director, Policy Planning and Innovation.

Mr G. Thompson, Executive Director, Corporate.

Mr K. Coombes, Acting Executive Director, Service Resource Management.

Ms G. Husk, Director, Finance.

Mr S. Sekhon, Principal Management Accountant.

The CHAIR: We are dealing with division 24, Training and Workforce Development. I ask the minister to introduce his advisers, but I understand that we also have the advisers for the Building and Construction Industry Training Board so he may introduce them all at once if he wishes.

[Witnesses introduced.]

The CHAIR: Member for Scarborough.

Mrs L.M. HARVEY: I refer to the reference to international student numbers on page 113 of budget paper No 3. There are revisions down of \$31.6 million over the forward estimates for a reduction in international student training expenses, but there is a footnote stating that the government is expecting international student enrolments to grow over the forward estimates period. How much growth is expected and why is there a revision down for expenditure if growth is expected?

[11.30 am]

Mr P. PAPALIA: The revision down is probably based on current trends. The member would understand that under her government over the last couple of years, there was a significant decrease in international student numbers—30 per cent in TAFE enrolments between 2015 and 2017 and 60 per cent in English language courses between 2015 and 2017—although enrolments in WA public schools remain relatively stable, albeit low. That has continued so clearly that may have been why that was anticipated to continue. However, as the member would be aware, the government has acted to arrest the decline in international student numbers and grow WA's share of international students, which declined dramatically over recent years. We have increased the budget for StudyPerth by 25 per cent annually and undertaken some key initiatives, which were criticised by the former Minister for Education. That can probably confirm why he was sitting on his hands while this sort of decline took place under his watch. A key element of our initiatives was to fulfil a commitment made by the Premier to lead a trade delegation—his first overseas trade delegation—to China, which is the state's second biggest source of international students. The Premier indicated months before the election that he would lead his first trade delegation to China to focus on tourism and international students. He kept that commitment in November last year. He took with him representatives of the vice-chancellor, or people very close to that level, from every university. For the first time in Western Australia's recent history, at least—but I would expect, ever—all universities were collaborating under the state government's leadership to market the state as a tertiary training destination, then encouraging potential students to select their university after choosing to come to Western Australia. That was a key message given to the Chinese during that delegation. There was also a significant initiative in creating a portal to market Western Australian education providers in China. For the first time, as a consequence of that portal's launch, parents and students who are seeking information have the ability to receive an immediate response from inside China. That is a key initiative. I hope and anticipate that these activities will result in an increase in our share of international students, which had plummeted to less than seven per cent of the national total. The proportion of the total number of international students that we attract has dropped, albeit during the last year, enrolments at universities have increased gradually every month.

We anticipate growth because of the initiatives we have undertaken to repair the damage and get back into the game. Since the Premier's delegation to China in November, the managing directors from North Metropolitan TAFE and South Metropolitan TAFE travelled to China to engage with their counterparts. The Zhejiang provincial government education department also facilitated a meeting for the managing directors and the principals of five vocational education and training colleges in Zhejiang province to explore transnational education. South Metro TAFE and the Zhejiang Institute of Mechanical and Electrical Engineering signed a training contract for the offshore delivery of the South Metro TAFE's oil and gas program. That is a pretty significant initiative and outcome, which will doubtless result in increased student numbers. North Metro TAFE also signed a memorandum of understanding to underpin future cooperation with Shanghai Harbour School relating to hospitality and training opportunities.

I endorse the observation that we anticipate growth. The state government is doing everything it can to rectify the decline in the number of tourists and international students. In focusing on this area, the government can deliver resources, leadership and collaboration with the sector so we should get a return.

Mrs L.M. HARVEY: When will the strategy be released and how much has been spent on developing the strategy so far?

Mr P. PAPALIA: The Department of Jobs, Tourism, Science and Innovation, which was established by the machinery-of-government changes, is now lending its weight to developing an international education strategy. It is a field of endeavour in which we have been sadly lacking in recent times. The strategy will include strategic initiatives to support the growth of the international education sector and I assume it will be delivered as soon as its development is concluded. It will be in the near term. We are already doing the actions that I have outlined. Initiatives have already been undertaken as a consequence of government leadership, particularly that of the Premier and the minister. The member's colleague in the upper house who used to be responsible for that sector neglected it and could not understand why anyone who would like to increase the number of international students from China would possibly go there. The answer is obvious: if you do not go there, people do not know who you are or where you are, and whether their students would like to seek you out as a destination to study. Therefore, you are not in the game and, as a consequence, Western Australia was not in the game for eight and a half years.

Mrs L.M. HARVEY: I would not have thought these are difficult questions: When will the strategy be completed and how much has been allocated to develop it? How much has been spent on the strategy? I am happy to get this answer by supplementary information. I know that the department would know this.

Mr P. PAPALIA: The member might be asking in the wrong division. It might be more appropriate that the member's colleagues ask the Premier about the cost associated with the strategy. I assume that it is normal activity. As far as I am aware, the government has not gone out and sought a consultant to develop the strategy. It has been undertaken by and is well within the capacity of the agencies involved. We are talking about some pretty hefty departments, which now comprise the Department of Jobs, Tourism, Science and Innovation. There are state trade representatives in China, who would doubtless be contributing to the strategy, but they are doing their jobs normally. There may be some allocation of funding, but I am not aware of it. I am not sure whether it is the right department to be asking the question of. I am informed that the strategy is being developed under the Premier's leadership, so it might be better if the member puts that question to him.

Mrs L.M. HARVEY: To be clear, was the minister's previous answer that the department is developing the strategy inaccurate? Is the Premier's office developing the strategy?

[11.40 am]

Mr P. PAPALIA: By the department, I meant the Department of Jobs, Tourism, Science and Innovation; I am sure it is involved. Regarding training activity, I can tell the member some of the things the department is doing. The Department of Jobs, Tourism, Science and Innovation is leading the development of the international education strategy. That will include strategic initiatives to support the growth of the international education sector. For TAFE International Western Australia, the WA TAFE sector will contribute to the future growth of the international education sector by developing and implementing plans, or contributing to the development of plans, with a focus on significant markets like China, Indonesia and Malaysia—I hope they are looking at India as well. It will continue to work with education agents to promote Western Australia as a study destination and the quality of the TAFE WA product; provide pathways for international students by maximising the articulation arrangements between TAFE WA courses and WA universities; and continue to develop the TAFE International WA Chinese language website to present TAFE WA product offerings that meet market requirements. I have already explained what south and north metro TAFEs have done subsequent to the Premier's delegation.

Mrs L.M. HARVEY: I will ask that question on notice of the minister responsible for the portfolio.

Mr P. PAPALIA: Sure.

Mr P.J. RUNDLE: I refer to regional training subsidies, six or seven lines from the bottom of page 309 under "Spending Changes". What does this item refer to?

Mr P. PAPALIA: I am informed that the adjustment reflects the revision to the district allowance payments funded by royalties for regions to reflect current estimates. This is the annual incentive payment for full and part-time staff serving in designated remote and regional locations. It is a good use of the funding, I suggest.

Mr P.J. RUNDLE: What is the intention in the 2021–22 forward estimates; is that to be transferred from royalties for regions as the regional TAFE subsidies are?

Mr P. PAPALIA: I am correcting my last answer. The funding here is from the consolidated account and in the forward estimates it is subsumed by royalties for regions—or royalties for regions contributes.

Mr P.J. RUNDLE: Is that in the 2021–22 year?

Mr P. PAPALIA: There will be an allocation but it will be from a different source.

Mrs L.M. HARVEY: I refer to the sixth point from the bottom of page 310. This is an election commitment for —

- implementing craft industry apprenticeship training in Western Australia rather than through interstate providers;

How much has been allocated in the budget to deliver this election commitment?

Mr P. PAPALIA: I am informed that the policy to return small craft industries training to Western Australia has been enacted. Funding will be sourced from current allocations. The member will be aware that there is a shortage of students, not necessarily funding, in TAFE. I think the member drove them all away. Hopefully, we will be attracting a few back. The funding will come from the current allocation.

Mrs L.M. HARVEY: Thank you for that assessment, minister! Could you provide by way of supplementary information, or now if you have it, how many students have been funded to complete apprenticeship training or other training interstate in 2016–17?

Mr P. PAPALIA: I suggest that the member put that question on notice. She is talking about a longer period. I do not want to impose on the agency the deadlines associated with supplementary questions. I am sure that it will provide that information, but it will be a little more complicated than whistling it up inside the deadline for supplementary questions.

Mrs L.M. HARVEY: When I was the then Minister for Training and Workforce Development, the department kept those figures for the number of students who were funded for courses interstate, because they come with

travel and accommodation costs. I suggest that the agency has that detail. Is it possible for the minister to ask whether it could provide that by way of supplementary information?

Mr P. PAPALIA: I think that the nature of what the member is asking for would require an effort beyond the time frame available for supplementary questions. I am happy to recommend that the member put it on notice. I am sure the minister will provide the response.

Mrs L.M. HARVEY: Given that this election commitment has commenced, could the minister please advise which craft industries apprenticeships will be captured by this commitment and where the programs will be run from—whether it is from TAFE or a private provider?

Mr P. PAPALIA: I am very pleased to advise that significant progress has been made to ensure that apprentices studying in small craft industries have the opportunity to study in the state this year. North Metropolitan TAFE has been established as the location for the return of craft industries to WA and it is working in close cooperation with the Food, Fibre and Timber Industries Training Council of Western Australia. They have made considerable progress in preparing for delivery to recommence in those trades this year. The college has successfully recruited new lecturing staff to deliver each of the qualifications, and existing facilities have been progressively upgraded to meet the new training package requirements for the delivery of qualifications. Delivery commencement for wood machinists and vehicle trimming is scheduled for May 2018, and flooring technology should start in June, followed in July by textile fabrication in upholstery, and furniture finishing in August. Noting those specifics, there is probably not much point in putting it into a supplementary answer. The member may as well just put it on notice, and by the time frame for questions on notice we will have some numbers to give the member.

Mrs L.M. HARVEY: It is clear the minister has a detailed briefing note there.

Mr P. PAPALIA: There are no numbers on it.

Mrs L.M. HARVEY: Is it possible for the minister to advise the average cost of delivering training to those students?

Mr P. PAPALIA: I assume that until they know the nature of the enrolment, they will not know the cost. That is a process that is being undertaken. Between May and August, a range of course training opportunities in the small craft industries sector will be returned to the state. Over that time they will be able to gauge how much cost is associated with the provision of that training. However, as I indicated earlier, there is no separate allocation at the moment; it is just part of its budget.

Mrs L.M. HARVEY: Just to be clear, even though the minister said this commitment is being fulfilled, currently no students are enrolled in those craft industries.

Mr P. PAPALIA: I am not saying that. The member heard me say that one is in May. Doubtless, some would be enrolled in wood machinist and vehicle trimming training. That is the one from May. The others are ongoing. The nature of the neglect of this sector and the member's shift of that training to other states could not be rectified immediately. It takes a bit of time. It takes effort to return to Western Australia training that should never have left. We are fixing the mess that we inherited, but this takes a little bit of time. It is underway. The minister has indicated very clearly that a range of courses are being returned to the state between this month, which is two-thirds over, and August.

Mr P.J. RUNDLE: I refer to the second dot point on page 311 relating to technological change and automation. I understand that a specialist curriculum is being devised and will be delivered by South Metropolitan TAFE. Will other TAFEs deliver the program?

[11.50 am]

Mr P. PAPALIA: I will give the member the briefing note answer and then we might add a bit. The Department of Training and Workforce Development is working with the State Training Board to identify emerging skills in this state through its work on technology and innovation projects led by the State Training Board. Industry collaboration is taking place; Rio Tinto and South Metropolitan TAFE are developing new qualifications in automation, and the mining industry's Western Australian vocational education and training collaboration is ongoing.

At the moment it would be South Metropolitan TAFE. Has the member been there, in Munster? It has a facility that specifically targets and replicates some of the requirements of the offshore oil and gas sector. It is really isolated to that location with regard to the ability to deliver that training at the moment, although the director general indicated that it would share any curriculum that is developed with other TAFEs. It would probably be difficult, depending on the nature of it, to deliver that training elsewhere. That was a specifically developed facility. It was there when we were last in government, so it has been there for a while, and it is a pretty cool facility that has trained a lot of people to work in the offshore oil and gas sector, in particular.

Mr P.J. RUNDLE: Considering the resources sector is located in the Pilbara—I have had this feedback, with regard to large trucks et cetera, not so much the oil and gas sector—why are the North Regional TAFE or the Pilbara Institute not delivering these courses?

Mr P. PAPALIA: It depends on what the member is specifically referring to with regard to technological change and automation. I know that South Metropolitan TAFE has the capacity to train people to operate gas trains and the like, and that is often done from remote localities, employing innovative technology. With regard to the member's observations about automation of the large vehicles that are operated, it is a reasonable observation that regional people should be able to access training and potential opportunities. Having said that, those things are operated from Belmont a lot of the time.

I might get the director general to answer a bit and, if necessary, we will ask Mr Walker to elaborate and try to respond to the member's specific question.

Ms A. Driscoll: I can certainly add to the minister's comments that considerable work is being done to further develop offerings through North Regional TAFE. For example, work is being done to look at the Port Hedland site. There is interest in using heavy hauling equipment at an old site in Port Hedland for training in that domain. It is the general policy in collaboration across all TAFEs that there be a sharing of knowledge as it is developed. At the moment the curriculum and, I guess, knowledge development is happening out of South Metropolitan TAFE, which has the most capacity, but the concept of collaboration across TAFEs is that that information will then be available to, in particular, North Regional TAFE. The Pilbara collaboration, which is about all the resources industries working with North Regional TAFE, very much puts it in the spotlight in terms of being the point of joint strategy development. North Regional TAFE has actually significantly developed its training offerings in the Pilbara over the last year. There has been an increase in the number of participants across a range of different training, and it is really developing some momentum in the work it is doing.

Mrs L.M. HARVEY: My question relates to budget paper No 2 and budget paper No 3. On page 273 of budget paper No 3 there is a table headed "Summary of Major Tax and Royalty Expenditures". Under the heading "Payroll Tax", there is a line item, "Apprentices and trainees exemption". For 2016–17, the figure was \$80.4 million, which was consistent over the last few years. The 2017–18 estimated payroll tax exemption value is \$59.3 million, revised down significantly. There is about a \$21 million difference there. I also draw the minister's attention to page 309 of budget paper No 2 and the heading "Spending Changes".

The CHAIR: This is in budget paper No 2, volume 2.

Mrs L.M. HARVEY: It is volume 2, budget paper No 2. The spending changes there show a flow-through in the line item "Payroll Tax Revenue Redistribution for Training Delivery" of \$11 million, and I am just wondering what happened to the other \$10 million.

Mr P. PAPALIA: I suspect the member might be better off putting that particular question to the Treasurer. The difference the member is talking about between budget paper No 2 and budget paper No 3 is Treasury magic stuff, I suspect, and therefore the question is more appropriately put to the Treasurer rather than us. The difference is about accounting and methodology, I suspect; it is not some trick that is going on, but it is more appropriately put to the Treasurer.

Mrs L.M. HARVEY: A commitment and announcement was made around the budget, admittedly by the Treasurer, basically to say that the company exemption from payroll tax for apprentices and trainees in training was going to flow directly back to the Department of Training and Workforce Development to develop more apprenticeships and trainee spots. I am just trying to determine whether this budget reflects 100 per cent of the flow-through of the changes to that policy.

Mr P. PAPALIA: I encourage the member to pursue that matter with the Treasurer so that she can determine whether that is the case.

Mr P.J. RUNDLE: I refer to page 312 and the table headed "Service Summary". Line item 6 is "Procurement of Training". I note the total spend over four years is \$1 771 824 000, which is \$442 million per year. That is a reduction from the \$452 million that was budgeted last year. Considering the serious reduction of more than 30 per cent over the last four years in recruitment of apprentices in traditional trades, why was there a decline in funding between the estimated actual and the budget estimate in 2017–18?

Mr P. PAPALIA: What is the actual question? Why did the actual decline from the estimate? Is that what the member is asking?

[12 noon]

Mr P.J. RUNDLE: That is right; there is a \$10 million drop-off.

Mr P. PAPALIA: This question is on item 6, "Procurement of Training", in the service summary table. The member has asked what the difference is because the estimated actual is lower than the actual budget.

Mr P.J. RUNDLE: That is correct.

Mr P. PAPALIA: I am informed that it is an administrative budgetary process in which that funding has been shifted. There was forecast additional actual funding as a consequence of the payroll tax changes, but because it is not required this year—we fund what we need with respect to training—it is being repositioned into the forward estimates.

Mr P.J. RUNDLE: When I look at the next four years in the forward estimates, the government has multiplied \$442 000 000 by four and come out with the exact total over the next four years but just changed the amount over those four years to sort of balance that and there is actually no increase in overall funding over that four-year period. I am concerned, with the decline in apprenticeship commencements and the skill shortages, that it does not increase over the next four years.

Mr P. PAPALIA: Once again, it is the impact of the member's federal colleagues that is being addressed here. The \$54 million shamefully removed by the federal government from the national partnership agreement—without much in the way of criticism from the state opposition, I might add—has resulted in the state effectively having to accommodate filling the gap and funding all apprenticeships and traineeships, which we have undertaken to do. We are able to do that a bit with the recent changes in payroll tax. All apprenticeships and traineeships will be funded, but the lack of growth to the extent that the member might anticipate is as a consequence of his federal colleagues not funding Western Australia and yet again dudding the state.

The CHAIR: Before we go any further, for the sake of Hansard, I note that the member for Nedlands has taken his place in the committee and the member for Churchlands has departed.

Mrs L.M. HARVEY: I refer to page 320 and the line item “Royalties for Regions Fund: Regional Community Services Fund” in the income statement table. There is a big jump from \$3.3 million in 2019–20 to \$46.6 million. What program will be delivered by that funding?

Mr P. PAPALIA: In an effort to address the higher cost of lower numbers of enrolments, particularly in the regions, and the higher cost of service delivery in the regions anyway, the vocational education and training budget will receive funding from royalties for regions to address that challenge. What the member can see at that line item is that money entering the budget in that year.

Mrs L.M. HARVEY: To be clear: is that money just an allocation going to TAFEs to help run them?

Mr P. PAPALIA: It is going to regional TAFEs to deliver training and education services. It is using royalties for regions funds in a better way, which is what we are committed to doing, to pay for a really good service in the regions and to ensure that there is a subsidy, effectively, for regional training, because it costs a lot more—class sizes are smaller, the cost loading is higher to acknowledge the lower economies of scale, there are additional housing costs to cover different Government Regional Officers' Housing program costs and there is the additional cost of purchases in the regions. All those costs are higher and therefore regional training attracts an additional cost to that in metro areas.

Mrs L.M. HARVEY: On page 310, the seventh dot point from the bottom of the page refers to revamping the WA State Training Board and industry training councils. What will the proposed revamp of the State Training Board entail?

Mr P. PAPALIA: The revamp of the State Training Board and the industry training councils is about ensuring that the board and training councils have the right members and structures. It is also about ensuring that information gathered through consultations with small, medium and large employers is focused on the government's priorities—that is, ensuring training that leads to job opportunities for Western Australians. From 1 July 2018, the industry training councils' management will be transferred from the Department of Training and Workforce Development to the State Training Board. The State Training Board has tightened eligibility criteria for chairs and deputy chairs of industry training councils, excluding members who have direct day-to-day responsibilities for registered training providers from becoming officeholders. Each training council will be required to have its recognition reviewed and renewed by the State Training Board to demonstrate that the members and its processes employed and/or industry engagement more clearly reflect the priorities of the State Training Board and the state government's plan for jobs.

The training board is currently working on a new industry engagement and planning framework for industry training councils to ensure that stakeholders across the state are engaged in consultations. The State Training Board has engaged with UnionsWA to ensure that union coverage is appropriate across the industry training council network.

Mrs L.M. HARVEY: Is it envisaged that there will be fewer positions on these boards and councils or will there be additional positions?

Mr P. PAPALIA: As far as I can tell—I think the director general will confirm the same—it is the make-up of the boards to exclude people who might have a conflict of interest, by the look of it.

[12.10 pm]

Mrs L.M. HARVEY: Would it require any legislative change to enact this?

Mr P. PAPALIA: Is the member referring to the State Training Board or to the training councils?

Mrs L.M. HARVEY: The dot point includes both, and I want to seek some clarification on what the minister has just said. It sounds as though the industry councils will be reporting through the State Training Board structure. I am curious to know whether that requires legislative amendment. My understanding is that those institutions are covered by legislation.

Mr P. PAPALIA: I might get Mr Walker to answer that.

Mr S. Walker: Industry training councils are independent associations, apart from the council that is housed by the Chamber of Minerals and Energy and the other one that is housed by the Building and Construction Industry Training Fund. It is through the State Training Board's recognition criteria that they then recognise any individual body for the purposes of providing advice. In the main, they are independent associations. Through that recognition criteria, they can, as the minister indicated, put a set of criteria around the sorts of memberships on the board, the make-up or the composition of the board and other elements of how they function in their constitution—without overreaching on that. But they do not require any legislative change to do that.

Mrs L.M. HARVEY: Does the State Training Board require any legislative change in order to conduct this activity?

Mr S. Walker: No.

Mr P.J. RUNDLE: I refer to the first dot point on page 311 and the rollout of the National Disability Insurance Scheme. How many jobs will be required when the NDIS rollout is complete?

Mr P. PAPALIA: Work is underway in that regard, so it might be a question that we can answer by way of supplementary information. We could probably provide an estimate but we do not have it here.

Mr P.J. RUNDLE: I am happy to take that as supplementary information.

Mr P. PAPALIA: I will undertake to provide the member with an estimate of the jobs that will be needed to address the demand from implementing the National Disability Insurance Scheme.

[Supplementary Information No B5.]

Mr P.J. RUNDLE: What is the Department of Training and Workforce Development's strategy for meeting the jobs growth and skills development needs of the NDIS?

Mr P. PAPALIA: The State Training Board is working with industry stakeholders to develop a coordinated response to the training and workforce development needs for the aged-care, disability, allied health and community service sectors. The result of that work informs the board's state training plan, which provides the minister with advice on priorities for training. That work also guides the department's allocation of funding for training and services to support critical current and emerging jobs and skills in this sector.

Mr P.J. RUNDLE: How will the department encourage regional WA to train in this sector?

Mr P. PAPALIA: It will be part of that process. As I indicated, the State Training Board is working with industry stakeholders to develop a coordinated response for training and workforce development. An integral component of that will be delivering it, as necessary, in the regions. That process will accommodate the entire state, not just the metropolitan area.

Mrs L.M. HARVEY: I refer to spending changes on page 309 and the line item "Repositioning of Expenses for Training Delivery" that is five items from the bottom. Can the minister explain what this is?

Mr P. PAPALIA: I am informed that that is a repositioning of unutilised funds from 2017–18 into the 2018–19 budget. The additional funding that was there is a step up from previous years as a consequence of the payroll tax revenue stream. Not all of that money was spent, so it has been repositioned into the current budget to enable its use.

Mrs L.M. HARVEY: Just to be clear, is this then some revenue from the payroll tax changes made on 1 December 2017 that was not spent?

Mr P. PAPALIA: The director general will respond.

Ms A. Driscoll: As indicated, the payroll tax revenue is about five or six lines items above on the same table. We have \$11 million coming in and then, in 2018–19, we see progressive growth in the payroll tax as those trainees who are currently in training cease their training. The member can see that as we get into the out years, payroll tax reaches a more levelling amount of \$34 million to \$35 million. In 2017–18, the estimated actual in the line item to which the member referred relates to the fact that we have to prop up the removal of the national partnership into 2018–19 and 2019–20. We are moving savings from former years into 2018–19. It is a repositioning of money to enable us to fund the 2018 and 2019 calendar years.

Mr R.R. WHITBY: I refer to the first dot point on page 310 under "Significant Issues Impacting the Agency". I know that the minister and the director general have touched on this previously, but I want to find out whether the national partnership agreement has brought about any other changes in the agency. Can the minister detail what they are?

Mr P. PAPALIA: The member would probably not be surprised that this is an issue that has excited the interest of the minister who has provided me with a thorough briefing on this question. The federal government announced a national partnership on the Skilling Australians Fund last year to replace the previous National Partnership Agreement on Skills Reform, which expired on 30 June 2017. The final payment under that scheme was

\$54 million in the 2016–17 financial year. The new national partnership offer made to Western Australia includes a nominal allocation in the commonwealth's 2017–18 budget of only \$38 million for 2017–18 and \$159 million over the forward estimates. That leaves a hole in the training budget. The state government has been negotiating with the commonwealth on the proposed details of the new national partnership, with the Prime Minister sending a formal offer to the Premier in February 2018. The current offer restricts funding to only apprenticeships and traineeships, not general training. Effectively, the commonwealth has walked away from general training, leaving the state to pick up the shortfall. This level of prescription did not exist under the previous agreement and would put considerable constraints on the state's ability to support TAFE and meet all of its training priorities. Access to the fund is subject to the commonwealth eligibility criteria, including the state matching contributions and reaching training delivery targets. The training delivery targets are not realistic. They are based on training levels at June 2012, which was around the height of the mining boom. Since then, the commonwealth has removed hundreds of millions of dollars in incentives and other support for apprenticeships, which will make targets much harder to achieve. That demonstrates yet again how out of touch Canberra is with Western Australia.

At this stage, no state or territory has signed up to the national partnership offer, not surprisingly. The commonwealth has subsequently announced through the recent federal budget that a new national partnership agreement will be offered to states and territories over the four years commencing 1 July 2018. The total amount of funding offered under the new agreement is estimated at \$1.2 billion over four years, down from \$1.5 billion under the previous offer due to the revised downward forecast of revenue from the levy. Western Australia's nominal share of the new agreement is estimated at \$126 million over the forward estimates, compared with \$159 million under the previous offer. So, it is all bad. The commonwealth has not made any concessions regarding the terms of the agreement, which do not meet the needs of WA and will expose the state to financial risk. The fund is to be financed by a new levy on employers of skilled migrants, which will soon become operational, given that the Migration (Skilling Australians Fund) Charges Bill 2017 was recently passed by the commonwealth Parliament. At a time when WA's GST share is low, the offers made under the Skilling Australians Fund have been disappointing. The minister is very generous; that is what she said—I would have said something else. The offer to sign up to the new agreement expires on 30 September 2018. We can only hope that the approaching federal election might engender a greater interest in Western Australia than has been demonstrated to date by the federal minister.

[12.20 pm]

Mrs L.M. HARVEY: It is interesting how the answers that the minister is giving us are similar to the answers I gave when I was sitting over there, but they were not acceptable a couple of years ago!

Anyway, I refer to the voluntary targeted separation scheme on page 310 of budget paper No 2. Could the minister please advise how many employees have taken advantage of this scheme and what the target for the agency is?

Mr P. PAPALIA: The total reduction in full-time equivalents included 38 from the Department of Training and Workforce Development—14 from each of the metropolitan TAFE colleges and four from each of the regional TAFE colleges. What was the other part of the question?

Mrs L.M. HARVEY: Is this the target, or are they the people who have taken advantage of the scheme?

Mr P. PAPALIA: The total achieved has been 77.6 FTE.

Mrs L.M. HARVEY: What is the target?

Mr P. PAPALIA: That is what has been achieved. Across government we were aiming for 3 000, as has been articulated on numerous occasions by the Treasurer. The member would have heard during the delivery of the budget that the current figure was just under 2 000. The Treasurer anticipated that by now the number would have been well over 2 000 and by the end of the financial year it would have been much closer to the 3 000, but there is no specific objective within each agency.

Mrs L.M. HARVEY: Is this scheme now complete for the Department of Training and Workforce Development and TAFE or is it still ongoing? Does the minister expect further separations?

Mr P. PAPALIA: It is possibly best to put the question about whole-of-government objectives to the Treasurer, but he indicated that the voluntary targeted separation scheme is being extended. It is not my portfolio, but I am trying to recall the extent of the extension. That aside, there are still offers being made and accepted. With regard to Training and Workforce Development, the number achieved has been 77.6 FTE.

Mrs L.M. HARVEY: Just to finish off on that last question about voluntary separation, is the department expecting any more people to take advantage of the VTSS?

Mr P. PAPALIA: I do not think so at this stage. As I said, the Treasurer is overseeing that process. It is across government. Essentially, he has done pretty well and we are getting close to the hoped-for outcomes. I assume this is probably it for Training and Workforce Development, but I am not sure.

Mrs L.M. HARVEY: Is the agency part of the capability review looking at where more redundancies can be found?

Mr P. PAPALIA: This is a voluntary targeted separation scheme, so it is only volunteers. We are not imposing any redundancies on anybody. This is about volunteers for the process and the department has achieved 77.6 FTE to date.

Ms E. HAMILTON: I refer to significant issues impacting the agency on page 310 of budget paper No 2. What progress has been made to fulfil the election commitments to establish TAFE industry skills centres?

Mr P. PAPALIA: A network of jobs and skills centres across the state is being established to fulfil the government's election commitment to transform TAFE colleges into industry skills centres. The centres are an integrated one-stop shop for anyone looking to improve their skills and job prospects, including students, jobseekers and career changers. They will lead to greater engagement of TAFE colleges with industry, and the centres are helping businesses to develop the workforce they need to support business growth. The centres will provide businesses with free assistance to recruit new workers and develop the skills of their existing workers. Essentially, jobs and skills centres will link people to training and jobs. They are an integral part of the broader plan for jobs that we announced during the election campaign.

The community and industry will have greater access to services, with a statewide network of six metropolitan locations, seven regional locations and a number of regional outreach centres. Five metropolitan skills centres opened on 16 April 2018 on TAFE campuses in Joondalup, Balga, Northbridge, Thornlie and Rockingham. Consultation and planning with TAFE colleges and contracted service providers are progressing, with further centres anticipated to open in 2018 in Peel, Albany, Bunbury, Geraldton, Kalgoorlie, Northam, Karratha and Broome. The jobs and skills centres are supported by the new Jobs and Skills WA website, which was also launched in April 2018. The website is a digital one-stop shop providing customers with everything they need to know about training and careers. A key component of the website is a course search function that enables users to search all publicly funded courses available in WA for the first time. The website also provides direct links into work through a jobs board and an Aboriginal-specific jobs board. The jobs and skills centres will be accessible to all Western Australians and will assist jobseekers to take up training and job opportunities created under the WA plan for jobs.

Mrs L.M. HARVEY: Further to that response, on page 314 of budget paper No 2, volume 1, I noticed that there has been a reduction of 31 FTEs from career and workforce development services. Have those 31 employees who have experience in providing education and training information and career guidance been shifted across to the TAFEs or have they just gone?

[12.30 pm]

Mr P. PAPALIA: I am informed that they have been shifted across to the TAFEs.

Mrs L.M. HARVEY: All 31 of them?

Mr P. PAPALIA: I am informed that one or two have chosen to seek other jobs within the public sector, but the remainder have shifted across to the TAFEs. There is a bit of bookkeeping as well. I might get the director general to explain.

Mrs L.M. HARVEY: I think I heard the director general explain that there were some savings measures.

Mr P. PAPALIA: There is a corporate overhead associated with the staff. Because of the reduced number the corporate overhead has reduced as well, reflecting that transfer.

Mr P.J. RUNDLE: I refer to the spending changes on page 309 of budget paper No 2. Four lines from the bottom is the line item "Revision to International Student Training Activity Estimates". Is this adjustment a reflection of expected activity, or is a component of government funding supporting this program being wound back?

Mr P. PAPALIA: The allocation had been adjusted to reflect the current activity. As I explained earlier, we have been in decline. We anticipate gradual growth, which is indicated in the forward estimates, and the government hopes that our activities to market Western Australia as a destination for this type of training will be successful, and will achieve growth, but the budget has been adjusted to reflect the reality.

Mr P.J. RUNDLE: On the same page, several lines above that item, is an item for Muresk Institute agricultural degrees. Can the minister explain to me the scenario for the spending changes in this item?

Mr P. PAPALIA: The member will identify an allocation in the forward estimates of \$686 000, which is to ensure that funding for the current enrolment in the Bachelor of Agribusiness Management degree is sufficient for completion by those students who are undertaking those studies. Enrolment numbers have been diminishing and becoming unsustainable, but nevertheless the funding has been allocated to ensure that training is delivered until the completion of the course. There is another allocation to develop new courses at Muresk in this year's budget, which is a significant allocation for the development of an agricultural skills development pathway in a pilot program. It will develop and deliver a range of contemporary agriculture short courses in consultation with industry and education and training providers, focusing on technology, business management, research, innovation and regenerative agriculture-related delivery. There is an allocation of \$1.129 million for that; \$200 000 has been

specifically allocated for Aboriginal land management programs; \$40 000 for marketing of programs and improving awareness of careers in modern agriculture; and \$225 000 to upgrade farm technology. The total is \$1.599 million, and the \$686 000 is in the forward estimates.

The appropriation was recommended.

Building and Construction Industry Training Board —

Mr R.S. Love, Chair.

Mr P. Papalia, Minister for Tourism representing the Minister for Education and Training.

Mr I. Hill, Chairman.

Mr A. Jackson, Executive Director, Construction Training Fund.

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. 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 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, 1 June 2018. 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 through the online questions system.

We have already introduced the advisers, so we will go straight to any questions that members might have—the member for Nedlands.

Mr W.R. MARMION: I will begin with a very general question for the minister. It is related to page 68 of budget paper No 3, under the heading, "Building and Construction Industry Training Fund Levy". All my questions will relate to that page. Can the minister explain why the government has removed the resources sector's exemption from the BCITF levy, and what consultation was undertaken with the resources sector?

Mr P. PAPALIA: This is an incredible leap forward in funding for training in Western Australia. It is long overdue, long awaited, and long sought by sectors that have significantly disproportionately contributed to training young Western Australians, only to see them attracted away from their sector in times of need in the commodities and mining sector, which was not training people. I experienced it myself when I was first elected in 2007. I was fortunate enough to be appointed chair of the defence industry advisory training board. In that capacity I witnessed firsthand that first element of growth in demand in the mining and also oil and gas sectors. Shipbuilders at Henderson and other players that had contributed large amounts to the defence industry and other maritime-related industries for a significant period to train people were stripped of their employees because the offshore oil and gas and mining sectors, which had increased demand, needed skilled people, but those sectors had not contributed to the training of those people.

[12.40 pm]

Similarly, I have been informed by people such as Dale Alcock, who has for a long time contributed in significant ways to training skilled labour in Western Australia only to have those employees stripped from him and enticed away to other projects by employers who had not contributed to the training levy, that that was unfair. Rightfully, other builders and construction industry participants who contributed significantly to training skilled Western Australians also saw it as unfair. The reason for it is pretty clear: it is to rectify the inequity between those who train people and those who employ trained people. The minister has indicated that the removal of the levy exemption applying to engineering construction projects in the resources sector—that is where it will be isolated—will apply to engineering construction work and major maintenance activities. It will not apply to mining operations. The intention is to ensure that there is greater equity for those who employ skilled labour. The result will be that there will be revenue of up to \$25 million over the forward estimates period that was previously not available to train Western Australians. It is a great outcome.

Mr W.R. MARMION: The minister touched on the major issue of how we differentiate between construction activity and processing on mining sites. Could the minister explain how he might differentiate on a liquefied natural gas facility? I will use the Gorgon expansion as an example. It is a major construction activity. Can the minister explain what percentage of the Gorgon expansion will be captured by this training levy? My understanding from the budget papers is that a levy of 0.2 per cent will apply to any construction project with a value over \$20 000. I would like a bit of clarity around that.

Mr P. PAPALIA: The government consults and collaborates with a whole range of sectors on a regular basis. I can absolutely guarantee that. It happens in my portfolios and I know it happens in other ministers' portfolios. There has been widespread consultation on the removal of the exemption with the resources sector through the

Chamber of Minerals and Energy of Western Australia, the Association of Mining and Exploration Companies and the Australian Petroleum Production and Exploration Association. The chair of the Construction Training Fund also has been consulted. There will be further consultation, including with the building and construction industry. Once the consultation is complete, where the levy exemption will apply and the rate of application across specific projects will be clear. I will not get into that. I do not expect that the minister would be reasonably required to respond to that specific question right now. I can say that widespread consultation has been undertaken and it is ongoing. This is a good thing. This is a great outcome for Western Australia, because, for the first time, the resources sector will contribute to training the people it regularly takes from other sectors.

Mrs L.M. HARVEY: Did the minister just say that the resources sector had been consulted?

Mr P. PAPALIA: I just listed the peak bodies in the resources sector that have been consulted, yes.

Mrs L.M. HARVEY: Will one of those organisations from the resources sector be given a seat on the board of the Building and Construction Industry Training Fund? If the resources sector is to contribute to this fund, it would seem appropriate, given that most of the peak bodies in the construction industry are on that board.

Mr P. PAPALIA: I understand that the minister has received a representation in that regard and it is being considered at the moment.

Mrs L.M. HARVEY: So has no decision been made yet on whether the resources sector will have a say on where the construction levy will be spent?

Mr P. PAPALIA: As I said, it is being considered now.

Mr W.R. MARMION: Given that the minister has indicated that consultation is to continue—I understood that he phrased it around clarification, because he did not give me clarification about the Gorgon project—can he not give clarification on how the resources sector will be levied? If that is the case, how did the government manage to put \$25.2 million in the budget?

Mr P. PAPALIA: The member might want to put to the Treasurer the specific question about the modelling. I think that would be a detailed process undertaken by Treasury to identify how it arrived at the \$25 million. I am sure it is just a budget projection at the moment.

That aside, I just want to add to my answer to the previous question about consultation. I have been informed that there will be further consultation about representation on the board. The minister is sympathetic to the case that is being made.

Mrs L.M. HARVEY: Did Treasury or the BCITF provide the modelling?

Mr P. PAPALIA: Multiple agencies contributed to that modelling. I am suggesting that if members want a detailed explanation of the nature of the projection and how it was arrived at, they should approach the Treasurer.

Mr W.R. MARMION: Just to explore this a little further, surely the board has a bit of an idea about the resources sector in particular, which is to do with processing. In the conversation on this topic, it is generally agreed that construction camps are a construction area of a mining site, but there are specialised areas at mining sites. I will use LNG because that is the highest specialty. It would be handy if the government could say in the estimates hearing where it is heading. I will again use the Gorgon example. Let us say that it is a \$20 billion expansion. Will the levy of 0.2 per cent apply to the full \$20 billion LNG processing plant? Can the minister give a response to that?

Mr P. PAPALIA: If the member wants a comprehensive and detailed explanation of how it was arrived at or the potential impact on a specific project that is informed by the current consultation and deliberations by the minister and all the agencies—I understand that plenty of agencies were involved in this modelling, including the BCITF—I urge him to put the question on notice to the minister and I am sure he will get a response.

[12.50 pm]

Mrs L.M. HARVEY: Will this revenue that is being collected go into the BCITF or consolidated revenue?

Mr P. PAPALIA: I think the minister has said on many occasions that it will go to the BCITF and I am pretty certain that the Treasurer put that into his budget speech. I was listening intently when he delivered what was said to be a boring budget but, in my view, it is one of the best budgets in the history of Western Australia, noting the extraordinary debt and pressures that we inherited from the previous government. I am pretty certain that he specifically identified the fact that the revenue raised would go towards training. That is why I applaud that. I reckon that this is one of the greatest outcomes in the budget, apart from the fact that we arrested the outrageous public sector growth that the previous government incurred. This rectification of what was an inequitable situation, when other sectors took the load of training and skilling Western Australians during the tough times only to see those people stripped from them during boom times in the mining and resources sector, was unfair. I think that is being repaired now.

Mr W.R. MARMION: It is in reverse now. It is going the other way.

Mr P. PAPALIA: It is worth applauding. Is the member suggesting that the gold sector is not doing okay at the moment and might be able to contribute?

Mr W.R. MARMION: No, the minister is totally wrong.

The CHAIR: Member, this is not a debate.

Mrs L.M. HARVEY: I notice that the revenue has been booked for this budget year but legislative amendment will be required for this. How far advanced is the change to the legislation?

Mr P. PAPALIA: It only requires amendment to the regulation. It will be enacted by 1 July. Obviously, regulations are subject to parliamentary oversight. I am sure that no-one in the upper house would disagree that this is a fair and reasonable response and necessary in times of tax assaults on the distribution of training funds by the federal coalition government. Anyone in the upper house of state Parliament would recognise that this is a reasonable response and it is also rectification of an inequity that has been extant forever.

Mrs L.M. HARVEY: Legislative amendment would be required to change the structure of the BCITF board. It sounds as though it is envisaged that the levy will be put in place prior to any changes being made to the board for the resources sector to have a say on it.

Mr P. PAPALIA: I am pretty certain that the minister is in consultation, as she has indicated on many occasions, with all players associated with this measure, including the board. The priority is the funds. To achieve removal of the exemption only requires regulation.

Mr P.J. RUNDLE: Will the minister be removing regulation 3AA in its entirety?

Mr P. PAPALIA: I think the member is starting to get into issues that require legal advice from Parliamentary Counsel. I will not speculate. If the member is concerned about the exact nature, he could put that on notice to the minister.

Mr P.J. RUNDLE: Does the minister foresee that any exclusions will exist?

Mr P. PAPALIA: From?

Mr P.J. RUNDLE: Once that regulation is removed, does the minister foresee any exclusions or any industries that will be excluded from this scenario?

Mr P. PAPALIA: I have already placed on the record essentially what the intent is and what the intended outcome is. Once the exemption is removed, the levy will apply to the resources sector, engineering, construction work and major maintenance activities. It is not the government's intention that the levy be applied to mining operations.

Mr W.R. MARMION: At the moment the mining industry is facing some shortages in skilled areas, such as mining engineers, geologists and specialist trades like drillers and drilling offsidiers. Will the government consider using some of the funds generated from reducing the exemption to help plug some of the gaps in the skills in the mining area?

Mr P. PAPALIA: I am not sure that I understand the question. The member is saying that some specific fields of qualification are under stress. Is the member asking whether the training funding will be targeted at training geologists, for example?

Mr W.R. MARMION: Will the minister consult with industry to clarify what I have just said is true?

Mr P. PAPALIA: Is the member asking whether the industry's requirements will be respected and responded to by the BCITF?

Mr W.R. MARMION: Will funds go towards the mining industry requirements—yes or no?

Mr P. PAPALIA: I think the board's responsibilities relating to where the funding goes will be applied across the full spectrum of training requirements in the state. I am not personally right on top of the responsibilities of the board but I can assume that it has responsibility for taking the revenue that it receives, identifying fields of endeavour where the need is and then allocating the funding to ensure that the current and future needs are met through the use of the training funds. I assume that that will be applied to the resources sector in the same way as it is to others.

If it is not construction related, the intent of the government's changes are to focus on engineering and construction work and major maintenance activities. Therefore, I would expect that that is where the funding goes. If the member is talking about other fields of endeavour, that is policy detail that will be determined by the minister in consultation with the industry and board.

It is probably fair to add that the intent is that the money will be spent on the sector or the area from which it is gathered.

Mr W.R. MARMION: That is all I wanted to know.

Mr P. PAPALIA: That is probably what the member wanted to know. I think that is the answer that the member was seeking.

Mrs L.M. HARVEY: I refer to page 68 of budget paper No 3. I have a quick question about the modelling. There are figures of \$6 million, \$8.6 million and \$7.3 million and then it drops off to \$3.3 million in 2021–22. Why is there a decline in the fourth year and a virtual halving of the estimated income?

Mr P. PAPALIA: It is based on modelling and the information available. In the third year of the out years, that modelling might be speculative and, in all likelihood, will shift as we get a greater grip on what is happening as we get closer to that time frame. There is nothing sneaky going on.

The CHAIR: There being no further questions, that completes the examination of the Building and Construction Industry Training Board.

Meeting suspended from 12.59 to 2.00 pm

Division 34: Local Government, Sport and Cultural Industries — Services 1, 3 to 17, Local Government; Culture and the Arts, \$164 477 000 —

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Local Government; Culture and the Arts.

Mr D. Ord, Director General.

Ms S. Sherdiwala, Chief Finance Officer.

Mr N. Sloan, Executive Director, Sport and Recreation, Planning and Service Delivery.

Mr C. Walker, Executive Director, Culture and the Arts.

Ms J. Holbrook, Director, Local Government Policy and Engagement.

Ms N. Lethorn, Director, Executive Services, Local Government.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

The CHAIR: 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. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

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, 1 June 2018. 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 through the online questions system.

I give the call to the member for Carine.

Mr A. KRSTICEVIC: I refer to "City of Perth Inquiry Panel" under "Other" on page 447 in budget paper No 2. I note that funding is allocated over a three-year period. Why is it spread over three years?

Mr D.A. TEMPLEMAN: As the member is aware, in March this year, the City of Perth councillors were suspended under section 8.19 of the Local Government Act. An inquiry panel was established post that decision. Three commissioners were appointed to the inquiry and the member is aware of those three. The inquiry panel has now been established. The costing that appears on page 447 is an allocation of \$2.4 million to the inquiry panel. This amount is in line with similar inquiries in the past. As an example, I refer to the City of Canning's inquiry in 2012, which cost around \$1.6 million. The funding allocation is based on the provision of costing the inquiry panel.

Mr A. KRSTICEVIC: The funding is spread over three years. According to the minister's statements, the inquiry is meant to finish on 2 May 2019; however, funding goes through to 2019–20 as well.

Mr D.A. TEMPLEMAN: There is an expectation that the inquiry panel will conclude but an allocation is made to ensure that there is provision for any costings that may be part of the inquiry. As I said, there is an allocation of \$2.4 million. No determination of the final cost has been made because of the nature of these inquiries; the exact cost cannot be determined until the inquiry has been concluded.

Mr A. KRSTICEVIC: Does the minister expect the inquiry will finish on 2 May 2019, as stated in his announcements; or, if necessary, is there an unlimited time for Mr Power to undertake the inquiry?

Mr D.A. TEMPLEMAN: The inquirer will have as much time as he needs to conclude a comprehensive inquiry. The preliminary timing of 12 months is expected to be the length of time necessary, but if the inquirer requires an extension of time, that will be considered.

Mr A. KRSTICEVIC: In the notice of appointment of the inquiry panel, the minister indicated that the inquirer has the authority to look at dates between 1 October and 1 March, and obviously going back in time as far as it is deemed necessary. Is there a reason 2 March was left out of that date range considering that the minister suspended the council at 3.30 pm on 2 March; and, according to a statement the minister made on that day, considering it was brought to his attention that activity took place regarding material being removed by a councillor or councillors from the City of Perth?

Mr D.A. TEMPLEMAN: The time span is appropriate for the discussions and issues that will relate to the inquiry, but if Mr Power requests that the times be extended, both prior to or after the dates specified, he simply needs to request that and it will be granted.

Mr A. KRSTICEVIC: I do not understand. If the minister is saying that the inquirer has the ability to examine everything that happened before 1 March 2018 in whatever depth and detail he wants, but the council was not suspended until 2 March at 3.30 pm, why has the last day been left out? Why has it been left open for the inquirer to ask for permission to look at that date and then the minister would consider giving him permission if he asked for it? It does not make sense.

The CHAIR: What is the question?

Mr A. KRSTICEVIC: Has 2 March been deliberately left out, or is it a mistake?

Mr D.A. TEMPLEMAN: No, it has not been deliberately left out. The simple fact is that the panel inquirer has the powers of a royal commission and the member's view that I can somehow interfere with that is based on a false premise.

Mr A. KRSTICEVIC: Is the minister saying that the inquirer has the authority, without seeking his express permission, to investigate the events on 2 March?

Mr D.A. TEMPLEMAN: Mr Power will investigate, as per the terms of reference, the issues associated with the City of Perth's functioning or lack of functioning. He will have the powers of a royal commissioner and he will be unfettered by me. He will have all the powers that are attributable and available to him. If he wishes to extend the time, he will be granted that.

Mr J.E. McGRATH: I refer to "Outcomes and Key Effectiveness Indicators" on page 453. I have a couple of questions on the line item "Percentage of local governments that did not have an action taken against them under the Department's compliance framework". What type or types of noncompliance by local governments require an action taken by the department? How is noncompliance identified, addressed and remedied? What is the basis of the budget target —

The CHAIR: Member, why do we not do one question and then further questions?

Mr J.E. McGRATH: The minister is very capable! But I will —

The CHAIR: Do you want to start, minister?

[2.10 pm]

Mr D.A. TEMPLEMAN: I am very happy to start. The member is referring to the first line item on page 453, "Percentage of local governments that did not have an action taken against them under the Department's compliance framework". He is specific about percentages.

Mr J.E. McGRATH: Yes. What type of noncompliance would require an action to be taken by the department? What things would trigger this? What are we talking about with noncompliance?

Mr D.A. TEMPLEMAN: They would vary. Local governments have a range of responsibilities with regard to the compliance framework. I will ask the director general to give some examples.

Mr D. Ord: The department has a number of reporting requirements: submission of plans and submission of financial reports, investigations and so on. A breach of any one of the reporting requirements under the act would trigger a local government noncompliance being picked up under this framework. Although it may also include minor or major breaches of the act, most of them are issues around not meeting a particular compliance threshold to do with annual reporting or planning submissions.

Mr J.E. McGRATH: I gather that a lot of them would not be really serious noncompliance, but just failing to comply with what they are expected to do.

Mr D.A. TEMPLEMAN: I am happy for the director general to add to that.

Mr D. Ord: They can be serious, because the act requires local governments to provide, for instance, financial reporting statements and so on, particularly audits of statements. If there is a reason they are not submitted to the

department, that can be cause for greater concern. We are fairly rigorous about ensuring that local governments comply with the requirements under the act for that sort of reporting. If there is a breach of that, we would certainly take it up with the council and pursue it. We report to Parliament on that to indicate the department is on the job, assessing the reporting requirements under the act.

Mr J.E. McGRATH: Did the City of South Perth have any action taken against it for noncompliance?

Mr D.A. TEMPLEMAN: If the member puts that question on notice, we will be happy to answer that.

Mr A. KRSTICEVIC: I am going back to the City of Perth. The minister did not explain why 2 March was left off. Why was that entire last day left off the notice of inquiry panel appointment date?

Mr D.A. TEMPLEMAN: I have answered that question. As I said, the determination for the line of inquiry was confirmed. If the inquirer wishes to expand that, that will be within his jurisdiction to do so, and I would be very happy to support it.

Mr A. KRSTICEVIC: There is no explanation for why one day was left off. The minister allowed it to go back as far as he liked from 1 March, but the last day has been left off for some unknown reason, and the minister cannot explain that apart from saying that the inquirer can do whatever he likes to do.

Mr D.A. TEMPLEMAN: I have answered the question.

Mr A. KRSTICEVIC: On Thursday, 1 March, the department issued directions notice 17 at 1.28 pm, or thereabouts, requiring certain things to take place. I understand that the council acting chief executive officer had security guards on level 10 and the lower ground floor, and council officers were searched. Was that the appropriate approach by the CEO in terms of directions notice 17 to stop all documents and to search all councillors leaving the building?

Mr D.A. TEMPLEMAN: If information had come to light to the department that materials that may be of importance, interest and, indeed, significance were being removed, that would be an appropriate request to make. I do not see why that is not seen to be an appropriate consideration for the department to make.

Mr A. KRSTICEVIC: I agree with the minister that the department made the right choice and the council made the right decision, but on Friday, 2 March—the date the minister has left off the inquiry—the security guards were removed from all floors and councillors were about to come in. I think the minister made the statement that a councillor had removed a box or boxes from there.

Mr D.A. TEMPLEMAN: Member, who informed you of that?

Mr A. KRSTICEVIC: You did; you made the statement.

The CHAIR: Member, it is not across the —

Mr D.A. TEMPLEMAN: Who informed you of the closure of rooms and floors?

Mr A. KRSTICEVIC: You made the statement.

Mr D.A. TEMPLEMAN: No, I did not. Do not put words into my mouth. I did not!

The CHAIR: Members!

Mr D.A. TEMPLEMAN: The simple fact is I did not.

Mr A. KRSTICEVIC: I said if.

Mr D.A. TEMPLEMAN: I said the department. The member must understand that I do not make these directions; it is the department. The department acts under the Local Government Act and under law on these matters. It is not through my direction; it is through the direction of the department. The member needs to understand the process, which he seems to not understand.

Mr A. KRSTICEVIC: Further question.

The CHAIR: Member, this is estimates. This is about the budget and the spending of budget money.

Mr A. KRSTICEVIC: I understand.

The CHAIR: You have got it to a line item, but remember it needs to be in accordance with the budget.

Mr A. KRSTICEVIC: I am not questioning the department's view. I am saying that with directions notice 17, I just want the minister to explain what requirement that was that was issued —

The CHAIR: Just stop there. You have asked your question. Minister?

Mr D.A. TEMPLEMAN: The directions notice is a notice given under the powers of the Local Government Act, which the department is responsible for. That notice will be given by the department if there is sufficient concern or evidence or issues associated with the capacity of the department to carry out its inquiry. I am happy for the director general to add to that.

Mr D. Ord: The department had instigated an authorised inquiry into the City of Perth prior to the events of 2 March, and that inquiry was ongoing. Officers from the department visited the city offices a number of times and gave directions notices in seeking particular information. That comes, obviously, with an inquiry. If lines of inquiry turn up, further information—documents and the like—is sought. The authorised inquiry was continuing beyond the point of the decision to suspend the council until such time as the inquiry made a decision to take up those matters itself.

Mr S.A. MILLMAN: To bring us back to the budget, I refer to page 448 of budget paper No 2, volume 2 of the *Budget Statements*. The sixth dot point states —

- The Department has been working to deliver on a number of legislative commitments, including election commitments, ensuring that the community and key stakeholders are properly consulted. It is assisting:
 - the Minister for Local Government in progressing the Local Government Amendment (Suspension and Dismissal) Bill 2018 through the Parliament, the review of the Local Government Act 1995 and legislation to help stop puppy farming.

How is the review of the Local Government Act 1995 progressing?

[2.20 pm]

Mr D.A. TEMPLEMAN: The member would be aware that the government made an election commitment to conduct a review of the Local Government Act, which of course is 20-plus years old. The McGowan government's view is that there is a need to modernise and reform the existing act to ensure that it delivers a quality statutory template for local governments across the state. We commenced that review process last year. It has, of course, been informed by strong stakeholder involvement. We have a working party that has been working very effectively and is composed of key stakeholders including the Western Australian Local Government Association, Local Government Professionals Australia and other stakeholders who are important to the consultation process. Phase 1 of the review process saw a consultation paper released in early November 2017. There were more than 30 workshops in 15 locations throughout the state. Submissions for the phase 1 consultation concluded in February; more than 240 submissions were received and are now being considered with regard to proposals for amendments to the Local Government Act. Phase 2 has now commenced with regard to the next range of priorities for reform of the Local Government Act.

I am very pleased that a very good, positive relationship has been re-established between a number of key stakeholder organisations that perhaps did not have the ear of the previous government. As the member will be aware, a partnership agreement was signed in August last year that focused on re-establishing a working relationship with the sector, on the understanding that the two levels of government may not always agree, but that the principles of consultation and respect were primary elements.

With regard to puppy farming, this again was an election commitment made by the McGowan Labor opposition before the 2017 election. A very extensive consultation and discussion process with a working party of key stakeholders was established and a consultation paper was released earlier this month. We are absolutely committed to delivering our election commitment to stop puppy farming practices in this state. That consultation process has been carried out in the spirit of the partnership agreement that was signed in August 2017. These are two very important processes that this government has established just on one year into our term of government, and I have to say this Labor government is far more reformist and has made much greater progress than the previous government.

Just to highlight one last matter, the puppy farming document was released for community consultation less than three weeks ago and already there have been more than 1 400 responses to the online survey, which is quite remarkable. There have been 26 written submissions and more than 160 responses to the RSPCA Million Paws Walk survey. Those are significant responses that I think demonstrates people's strong support for this election commitment.

The CHAIR: Minister, we went for five minutes on the answer to that question. Maybe we can keep it to a ministerial statement duration of three minutes. Member for Mount Lawley, you have another question on this, and then the member for Carine has another question.

Mr S.A. MILLMAN: As the minister knows, I have the great privilege of representing a diverse and vibrant community in Mt Lawley and I am wondering whether the review of the act will be able to deal with the nuances and be fit for purpose for the various shires that I represent, including the City of Stirling, the City of Vincent and the City of Bayswater, all of which have part of their territory within the seat of Mount Lawley.

Mr D.A. TEMPLEMAN: We have a very, very good opportunity to genuinely modernise the Local Government Act. One of the key things is that we know there is a diversity of local governments in Western Australia. There are small, ratepayer-based regional councils that are large in area but small in ratepayer numbers, through to very

large metropolitan councils such as the ones that are part of the member's electorate. The aim is to have legislation that will allow local governments to deliver quality to their communities under an accountable and transparent framework. We have to get this right, and I am very confident that we will come out of this process with an amended Local Government Act that delivers quality, and is modern and agile. It will allow local governments to deliver quality no matter where they may be located in our state.

Mr A. KRSTICEVIC: I have questions on a couple of angles here, but firstly on the issue of puppy farming. I note there is no funding provided in the out years for this commitment. Does the minister expect this program to cost nothing to implement, or will funding need to be allocated in future budget processes?

Mr D.A. TEMPLEMAN: There is an allocation in the budget, as the member is aware. Our election commitment to stop puppy farming focuses on four key areas: mandatory breeding standards being identified; mandatory sterilisation; a centralised registration database; and the transition of pet shops to adoption centres. Those are the four key elements of our focus. The process that is currently underway will inform government on how best to achieve those key principles. There is an allocation in this budget of \$250 000 and that money will be used to scope the centralised database and to model the costs that will be required once we have a firm model for the implementation of this election commitment. Of course, educational materials will also need to be prepared as part of that allocation. We will be informed through this process as to what, if any, other resources will be required in the out years.

Mr A. KRSTICEVIC: Will any compensation be provided to pet shops if they close down as a result of this reform? Will the ones that want to stay open be given funding to enable them to accommodate larger dogs under the legislation?

Mr D.A. TEMPLEMAN: As the member will be well aware, pet shops are businesses. One of the focuses of transitioning pet shops to adoption agencies is to make sure that opportunities are provided for pet shops and pet shop owners to address that pressing issue but also to have a commercial outcome as a business. In our view, that in itself will assist them to continue to maintain their business. It just means that the dogs sold in those places will come from reputable areas and will be dogs that otherwise might have ended up in RSPCA or DogsWest facilities with no owners. That is one of our key focuses; subsidies to businesses is really not the focus of the delivery of this commitment.

Mr A. KRSTICEVIC: If they have to become adoption centres and all of a sudden have to increase their floor space, there will be no compensation for them; they will just have to wear that cost. The legislative change will force them to do something and they will have to pay for it.

[2.30 pm]

Mr D.A. TEMPLEMAN: Again, it is a business consideration. I would think that a business that, through a policy lever change, is given an opportunity to deliver quality dogs to the marketplace from a reputable source, including addressing the issue of dogs that end up being dumped, is a very, very positive outcome. Issues associated with size are really a business decision. It is not a decision for government; it is a business decision.

Mr J.E. McGRATH: Is the minister saying that if I wanted to open a shop and have pedigree puppies bred by a reputable breeder, I could not have a business that sold those; I would also have to have an adjunct? Would I be able to sell puppies or not?

Mr D.A. TEMPLEMAN: The member certainly would be able to sell puppies, but they would be from a registered breeder and they would be appropriately sourced. At the moment, unfortunately, there are a couple of examples of pet shops in Western Australia in which the dogs are sourced from puppy farms, including interstate puppy farms. Unfortunately, they are the ones that are not appropriate and have evidence of cruelty and maltreatment. There is no capacity to monitor their breeding standards, or their standards of breed, and that is why we want to see pet shops focused on transitioning to adoption agencies, so that they can assist. At the end of the day, if people want purebred dogs, there are various ways that they can get that. They can still buy them from registered shops.

Mr J.E. McGRATH: But they might want to buy one. Further to this, they can buy one at the shop, so I could sell someone a puppy?

Mr D.A. TEMPLEMAN: If the shop had a registered breeder who was prepared to source them, but a lot of the purchasing of registered dogs is done through private places and kennels.

Mr J.E. McGRATH: They sell them themselves.

Mr D.A. TEMPLEMAN: A number of years ago, I bought our dog, a labrador, from the Southern River registered breeder kennels. I understand that quite often people go to a pet shop and there are no dogs for sale. We want to see that the dogs that people see when they go to a pet shop are from reputable, monitored registered breeders and/or dogs that have been appropriately screened for adoption. The member would probably be well aware that far too many dogs are maltreated and end up at the RSPCA and Dogs West, and those agencies have to find homes for them. We believe that this policy will address that.

Mr R.S. LOVE: On page 448 of budget paper No 2, the third dot point states that some local governments experience difficulties meeting their statutory obligations et cetera. What is the expected cost of these increasing inquiries, excluding the City of Perth inquiry, which is itemised separately? What is being done to provide training, first of all, for councillors to enable them to avoid these continual inquiries, and to their staff, who do not seem to be maintaining professional standards?

Mr D.A. TEMPLEMAN: I thank the member for the question. The importance of authorised inquiries is that they are inquiries that the director general has ultimately determined need to take place. They can vary in terms of how extensive they are. At the department, we have a range of investigative personnel who are very experienced in carrying out inquiries. Obviously, the City of Perth is no longer an authorised inquiry; it is a formal panel inquiry, which, of course, is established under the Local Government Act. The other inquiries, including some regional inquiries, are resourced by the department—prioritised certainly—through the allocation of an officer or officers, and that cost is ultimately absorbed. Unlike the City of Perth inquiry, which has a budget because it is an authorised inquiry, these other authorised inquiries are commenced and resourced from within the department's resources.

The other part of the member's question was —

Mr R.S. LOVE: The dot point refers to a relatively large number of inquiries and the minister said that they will be accommodated from within the department's budget, but that does not seem to really explain how the department can handle that. Is there a dollar amount that the minister can point to that is the cost of those inquiries?

Mr D.A. TEMPLEMAN: It is officer time and it will vary. For example, if an officer is travelling to Wiluna or to Perenjori, there will be costs associated with that officer's travel as opposed to someone who is travelling to the Town of Cambridge or to Mandurah. It will vary, but, essentially, if an authorised inquiry is commenced, the department mobilises resources to carry out that inquiry.

Mr R.S. LOVE: The second part of the question I asked was to do with the strategy that may be applied to deal with that increasing problem from both councillors and staff.

Mr D.A. TEMPLEMAN: I would like to make two points. In the first phase of the local government review process, the issue of universal training for new councillors has been well and truly canvassed, and there is strong support for the concept that it would be appropriate for any newly elected councillor to undertake universal training. Obviously, we are still working through that for the final recommendations, but I can assure the member that that is something that, for me, is a priority.

The other method, or mechanism, apart from training, is to have an opportunity to address individual councillors who need individual attention. That is not currently allowed under the Local Government Act and it is why we have in the Parliament now the suspension and dismissal amendment legislation that we hope to debate within the next two weeks. The focus of that legislation is to give the minister of the day, and the department ultimately, an opportunity to address issues that may relate to the behaviour and/or lack of compliance and responsibility of an individual councillor. I think that is an important tool that needs to be in place, because it will also assist in leading to deal with a councillor who might be perhaps corrosive in their behaviour and/or their actions might affect the ongoing functioning of the council in total. As members know, I currently have the capacity to deal only with a council in total rather than an individual. I hope to have support from the opposition for that legislation.

With regard to the training in the second phase, issues associated with the training and/or the capacity of CEOs is up for discussion in that component, which I think perhaps goes to the member's question of competency within staffing levels of councils. That is now up for discussion.

[2.40 pm]

Mr D. Ord: The department also supports the Western Australian Local Government Association in its delivery of training to elected members, so local governments themselves make significant contributions to WALGA to run training programs that are accredited to promote the professionalism of elected members in managing the act and their responsibilities under it. We also support a development program with LGPro—Local Government Professionals—which has to do with the development of CEOs. There are also mentor programs run through that organisation for new CEOs to be mentored by more experienced CEOs. There was a support program to assist regional members to be exposed to additional training and induction following each election and for ongoing development under the previous government through royalties for regions and that has continued through this government. A fairly comprehensive program exists. It is not mandatory at this stage. As the minister has said, there is a move to improve and broaden that scope in the act review.

Mr A. KRSTICEVIC: I refer to item 1 of the service summary table on page 452 of the *Budget Statements*. There is a decrease in funding for regulation and support of local government from the estimated actual in 2017–18 of \$17.5 million to \$10.5 million in 2021–22. I wonder how that reduction in funding for regulation and support of local government relates to what the government is trying to achieve at this point in time. Funding to that area seems to have been cut.

Ms S. Sherdiwala: The reduction there relates to the completion of the Local Projects, Local Jobs program.

Mr D.A. TEMPLEMAN: The reduction there relates to the Local Projects, Local Jobs allocation.

Mr A. KRSTICEVIC: Regarding the allocation and its reduction, where was the money spent to help local government regulation and support with its statutory obligations?

Mr D.A. TEMPLEMAN: The projects were varied and a number of them supported local governments in their capacity to deliver quality programs and projects to their local communities.

Mr S.A. MILLMAN: We spent, I think, \$100 000 to redo the Water Corporation sump on the corner of Flinders Street and Wellington Street. That was only a small proportion of the total cost. The rest of the cost was covered by the City of Stirling; that is one example. There is another example, the Alexander Park Tennis Club —

The CHAIR: Question, member!

Mr S.A. MILLMAN: I am getting to that, Chair. There is the Alexander Park Tennis Club in Mt Lawley to which we contributed a small proportion of the overall cost, which was mostly borne by the City of Stirling. Are they some of the examples the minister is talking about?

Mr A. KRSTICEVIC: I have a point of order, Madam Chair: I am not sure how that comes under regulation.

The CHAIR: That is not your point of order. It is a comment and the question was: are they two projects that come within that?

Mr D. Ord: I think the former was and the latter was not. Local Projects, Local Jobs went across a range of parts of our agency and the responsibility is divided, so although it might be a departmental responsibility, it was not specifically for Local Government. Local Projects, Local Jobs includes signage programs, which was a very important rollout across the state for safety and emergency services.

Mr J.E. McGRATH: Is there any other funding for regulation in support of local government or for Local Projects, Local Jobs that has been put somewhere else in this budget apart from the first line item, “Regulation and Support of Local Government”?

The CHAIR: That is not further to this question. It is a separate question, because the question started off being about the dot point. I will write you down, member South Perth, for another question.

Mr J.E. McGRATH: I am referring to the first line item, “Regulation and Support of Local Government”.

The CHAIR: No, we have not moved to that. We were on page 448 and then there was a referral. That is not a further question. I will move on to the next question.

Mrs L.M. O’MALLEY: I would like to ask a further question about the stopping of puppy farming. I refer to the budget election commitments on page 447 of budget paper No 2, volume 2, and note there is \$250 000 allocated for 2018–19 to stop puppy farming. What is the progress of the McGowan government’s election commitment to this?

Mr J.E. McGRATH: *How Much is That Doggie in the Window*—the minister could sing that!

Mr D.A. TEMPLEMAN: Very briefly, there was a consultation paper released on 3 May. I think the member attended the event that the member for Maylands arranged in the Parliament forecourt, which was the first time that a range of animal welfare-related agencies attended. It was their first time being invited to Parliament. The consultation process is now underway. As I said, there have been over 1 400 responses already, which I think is a very clear indication of the community’s interest in and support of the delivery of this project. When the public submission process closes on 3 August, the feedback, and it seems it is extensive, will be included in the consideration of suggestions and recommendations, which are ultimately to me, by that group about how we move on the four key aspects of the policy initiative. We will deliver that as soon as is practicable and I think it will get very wide community support.

Mr A. KRSTICEVIC: I refer to significant issues impacting the agency on page 449 of the *Budget Statements*. I want to touch base on the local government partnership agreement. The second dot point on that page refers to the agreement. I want to know: on how many occasions has the agreement been used or adhered to since it has been signed?

Mr D.A. TEMPLEMAN: As the member is aware, the agreement was signed by government. Immediately after the signing of the agreement, I wrote to all ministers and they were made well aware of the intent of the agreement and that it would be a key point of reference in consideration of their portfolio areas. For example, the Minister for Emergency Services, who has just recently rolled out the rural fire service initiative, had extensive consultation with the Western Australian Local Government Association and the Local Government Professionals group. I know that ministers will reference the agreement with regard to other policy areas as part of their discussions with local government. I have mentioned three other examples. I have already mentioned the policy to stop puppy farming, which has referred to the agreement. Again, the Local Government Amendment (Auditing) Act 2017 made reference to WALGA and key stakeholders, as did the Local Government (Financial Management)

Amendment Regulations 2017. From my perspective, the referencing to the partnership agreement is ongoing because it is a genuine commitment by this government to work with the third tier of government in a positive and respectful manner.

[2.50 pm]

Mr A. KRSTICEVIC: Why was the agreement not followed for the Local Government Amendment (Suspension and Dismissal) Bill 2018?

Mr D.A. TEMPLEMAN: Discussions with local government, and WALGA in particular, have been ongoing. The member might be reminded that in 2011 WALGA raised with the previous government its support of the need to introduce legislation addressing issues around individual councillors. The member was in government during that period, but he did not do anything. The previous government failed. We have introduced the legislation. The discussion with WALGA was ongoing. We are delivering it; the previous government did not.

Mr A. KRSTICEVIC: My understanding from talking to the sector is that it was given two days' notice.

The CHAIR: That is a statement; you need to ask a question.

Mr A. KRSTICEVIC: Is it true that the sector was given only two days' notice to discuss the Local Government Amendment (Suspension and Dismissal) Bill 2018, whereas under the partnership agreement it is supposed to be given 12 weeks?

Mr D.A. TEMPLEMAN: Who said that?

Mr A. KRSTICEVIC: Local Government Professionals and WALGA said they had two days to look at the legislation before it was introduced into Parliament. That was all they knew about it.

Mr D.A. TEMPLEMAN: Again, it was an endorsed policy area. The previous government failed to deliver it.

Mr A. KRSTICEVIC: The government did not consult. It did not follow the agreement.

Mr D.A. TEMPLEMAN: The member can make all the excuses he likes for the previous government, but the simple fact is that this amendment to the Local Government Act is supported. In fact, I might tell the member that some in the sector wish that it would go further. I think it is a very important reform. We have brought it into the Parliament in just on a year, while the previous government did nothing when it was raised back in 2011.

Mr J.E. McGRATH: We were going to do it; we planned to do it.

Dr A.D. BUTI: I refer the minister to the second dot point on page 449 of budget paper No 2, which states —

The State Local Government Partnership Agreement was signed by the Premier on 2 August 2017. It demonstrates a commitment between the State Government and local government to work collaboratively and sets out the protocols for engagement to enable better collaboration in planning, policy development and service design between the State Government and local governments.

How is the machinery-of-government initiative assisting with the delivery of the partnership agreement?

Mr D.A. TEMPLEMAN: It is important to note the basis upon which the partnership agreement was established. The member may be aware that on the election of the Gallop government in 2001, one of the initiatives taken was to formally establish and sign a partnership agreement. During the years of the Barnett Liberal–National government there was no focus on an agreement as such. In the lead-up to the 2017 election, one of the things that local government was saying to me, as the then shadow minister, was that it wanted a formal agreement to map out how the state and local governments were going to get on with each other. That is the premise of the agreement. Local government had had a bruising experience with the previous government, which had failed in its amalgamation debacle in the metropolitan area. The Premier of the day treated the local government sector with disdain, at one stage calling it basically corrupt. The Premier of the day, Colin Barnett, overrode the then Minister for Local Government, Hon Tony Simpson, much to his frustration, and I think that ultimately led him to resign as a minister in the Barnett government late in the term. That is no way to have a relationship with local government. We will not always agree with local government. We understand that we will have differences of opinion, but the relationship must be based on basic principles of respect and an understanding that local government plays an important role in the governance of Western Australia. I approach being Minister for Local Government from that perspective. I respect the vast majority of people in local government across the state. I am disappointed when things do not go right and when councils or councillors do not do the right thing, but I do not want to tarnish everyone with the same brush, and I will not. That is the basis of the local government partnership agreement. As Lynne Craigie herself has said on numerous occasions, we will not always agree, but if we can approach the issues and challenges in a respectful way, that is an important premise.

Mr A. KRSTICEVIC: What does the partnership agreement say about how long the minister is supposed to consult with the sector when introducing a new piece of legislation?

Mr D.A. TEMPLEMAN: The local government partnership agreement maps out a range of aspirational points related to consultation. If the member wants me to quote from the agreement —

Mr A. KRSTICEVIC: How many weeks? That is all.

Mr D.A. TEMPLEMAN: The member has asked what the agreement says, and now I need to tell him. The agreement states that, where appropriate and practicable, consultation should take place over a period of weeks for specific aspects—eight weeks for referencing regulations and four weeks for proposals of procedure or practice. The agreement states that local government should be consulted as early as possible in the process to elicit meaningful contributions. That is the premise on which the spirit of the agreement is enacted. There will be times when it will not necessarily be appropriate or practicable.

Mr A. KRSTICEVIC: For new pieces of legislation, the consultation period is given as 12 weeks. Of the three pieces of legislation the minister has introduced into Parliament to date, how many have gone through that 12-week consultation process as per the partnership agreement?

Mr D.A. TEMPLEMAN: Within the spirit of the partnership agreement, I think all of them.

Mr A. KRSTICEVIC: They have all gone through a 12-week process?

Mr D.A. TEMPLEMAN: Within the spirit of the partnership agreement, all of them.

Mr A. KRSTICEVIC: Have they gone through the 12-week process, not the spirit?

Mr D.A. TEMPLEMAN: Which one is the member saying has not?

Mr A. KRSTICEVIC: I do not think any of them have gone through the 12-week period, but I know from speaking to the sector that for the Local Government Amendment (Suspension and Dismissal) Bill 2018, it had two days. The sector was not happy with two days. All I want to know is: of the three bills the minister has introduced, how many have gone through that 12-week process, as indicated by the partnership agreement or, in the spirit of that agreement, on how many has the sector had a reasonable amount of time to consult?

Mr D.A. TEMPLEMAN: The suspension and dismissal bill, which the member publicly accused me of dragging my feet on and not introducing in time, has its origins in 2011. It has been raised by WALGA over and over again. In fact, I think the member will find that public statements made by me and the Premier last year indicated that we were going to introduce legislation to address individuals. This has not been just dropped on them at the last minute, as the member is inferring. If the member does not support the legislation, that is fine, but he should crawl back into his cave and find out where he is coming from with this one because, quite frankly, it is an important piece of reform.

[3.00 pm]

Mr J.E. McGRATH: We support it.

Mr D.A. TEMPLEMAN: It does not sound like it.

Mr A. KRSTICEVIC: It is important to consult the sector.

Mr D.A. TEMPLEMAN: It does not sound like members support it at all.

The CHAIR: Members! Let us move on.

Mr J.E. McGRATH: I refer to the fourth dot point on page 449 of the budget papers, which states that the government has endorsed the transfer of responsibility for the activation of open spaces in the Perth city council from the Metropolitan Redevelopment Authority to the department to take effect from 1 July 2018. Why has this happened and how did this come about?

[Mr I.C. Blayney took the chair.]

Mr D.A. TEMPLEMAN: Member, it is the Perth Cultural Centre, not the Perth city council. It is a good question.

Mr J.E. McGRATH: I will ask it later.

Mr D.A. TEMPLEMAN: Does the member want me to answer it? I am happy to answer it now.

Mr J.E. McGRATH: Yes, answer it now.

Mr D.A. TEMPLEMAN: As the member is well aware, the new Museum project is currently underway. The elements that make up the Perth Cultural Centre include the State Library of Western Australia and the Art Gallery of Western Australia. Up to this point, the Metropolitan Redevelopment Authority has had ultimate coverage of the Perth Cultural Centre. The government believes that for the obvious reason that there are cultural assets that make up the Perth Cultural Centre and its environs, and the fact that the new Museum will open in 2020, it is sensible that responsibility for the overall operation be transferred from the MRA to the department. I am sure that the member supports that.

Mr J.E. McGRATH: Yes.

Mr R.S. LOVE: I refer to the Creative Regions program listed in the details of controlled grants and subsidies table on page 469 of volume 2 of budget paper No 2. Does the McGowan government intend to replace that program in any way for the regions; and, if so, how, and where will the funding come from?

Mr D.A. TEMPLEMAN: As the member is aware, it was an appropriation over a four-year period by the previous government. Of course, the final allocation is in the 2018–19 budget, as shown in that line item for the Creative Regions program. The delivery of that program over that four-year period is now up for evaluation by the department. Any continuation of the program or new program that relates to those outcomes will be up for consideration and determination in a future budget.

Mr R.S. LOVE: Just to be clear, at the moment there is no program to replace or continue the type of work that was being done under that program in regional WA.

Mr D.A. TEMPLEMAN: As I say, it is being reviewed. The funding for that program under the previous government will conclude at the end of this financial year. The effectiveness and delivery of the program is being evaluated and certainly will be considered in the budgetary considerations of a future budget.

Mr A. KRSTICEVIC: On the progress of legislation, I refer to the sixth dot point on page 448 of the budget papers, which refers to election commitments and the legislation. Why did it take so long for the Local Government Amendment (Suspension and Dismissal) Bill 2018 to get to Parliament? Why is it still on the notice paper? Why have we not progressed it, considering the comments made by the minister and the Premier as far back as 2015 about the importance of the legislation and the need to deal with the issue of suspending individual councillors? Why did the bill languish for so long before being introduced? Why is it still on the notice paper? Why have we not discussed it, considering all the issues around it?

Mr D.A. TEMPLEMAN: Goodness gracious! This government has introduced the legislation. We want to make sure that it is drafted appropriately and effectively to deliver its intent. Therefore, we need to ensure that the proposed legislation achieves what we are seeking to achieve, with an element of clear transparency, fairness and natural justice. It is quite ludicrous to accuse us of dragging our feet when the previous government did nothing at all. It could not even get its auditing bill through Parliament. Quite frankly, the member's assertion is again maligned. However, I hope that when we debate the bill at the next sitting of the house, the member will support it and not hold it up.

Mr A. KRSTICEVIC: I have told the minister that I am very supportive of it.

Mr D.A. TEMPLEMAN: Good; we will get it through overnight.

Mr A. KRSTICEVIC: Can the minister please explain the complexities of that legislation, considering that other states in Australia already have the same legislation, and why it took over 12 months to draft it and bring it in?

Mr D.A. TEMPLEMAN: Once again, we looked at other jurisdictions, but, as the member will be well aware, benchmarks that have an ultimate action that includes dismissal must reach a very high threshold. If we do not have those high thresholds, the member will accuse me of politically going after people he does not want me to go after. He cannot have it both ways. Quite frankly, we are going to get it right and we are going to pass it. We are going to get it through Parliament and it will not take eight and a half years to achieve it. If it has taken a couple of months to get it right, I do not have any problem with that. The simple fact is that we will have in place a piece of legislation that allows the minister of the day to address, under certain high benchmarks, issues associated with individuals. Those issues will range from simply preliminary or early interventions, such as requested or required training and/or remedial measures, to, ultimately, if it is serious enough and reaches the threshold, which must be very high, dismissal of that individual. That is why it has taken a little bit longer. We are going to get it right. We are not going to stuff this up.

Mr A. KRSTICEVIC: It is great that the minister has gone to all this effort to get it right. Can the minister tell me why he has recently put on the notice paper an amendment to this bill that he went through such a long process on to get right?

Mr D.A. TEMPLEMAN: Absolutely. One of the aspects of the current act that the previous government failed to reform in any significant way during its time in office is a loophole that allows an individual to receive an allowance while they are suspended.

Mr A. KRSTICEVIC: I thought the minister would have known that through the extensive —

Mr D.A. TEMPLEMAN: No. As the member knows, the Local Government Act—which, by the way, the previous minister believed did not need any reform—has a number of loopholes and anomalies that need to be addressed. We are going to address them because the previous government failed to do so.

Dr A.D. BUTI: I refer to the third dot point on page 449 under the heading “Significant Issues Impacting the Agency”, which refers to the allocation of \$6.5 million for the Sunset hospital transfer. How will this transfer provide opportunities for activation of this historic site and ensure long-term arts, culture and heritage outcomes for the community?

[3.10 pm]

Mr D.A. TEMPLEMAN: I thank the member. As he is aware, the Sunset hospital precinct has huge potential and was, until recently, under the jurisdiction of the Department of Finance. The decision to transfer the precinct to the

Department of Local Government, Sport and Cultural Industries was to realign it with the intention for what we want to see happen at the Sunset hospital precinct going forward. The precinct is already home to a new media hub and it has enormous potential to deliver quality cultural and artistic outcomes and infrastructure for the state. Transferring the precinct to the department's jurisdiction will give us greater capacity to lead the project. Huge cultural tourism opportunities exist at the precinct and the Sunset transformation committee will continue to oversee its development. It will include negotiations with one of the current tenants—the Minderoo Foundation. Ultimately, our aim is to activate that site for next year's Perth Festival. There is already a proposal for the performance and showcase of a significant piece of work there. We want to encourage that type of activity and the activation of that space. We also want to look at how we can continue to improve and activate some of the heritage assets within that space so they become usable and effective for arts and cultural activities.

Mr R.S. LOVE: I refer to the third paragraph under the subheading "Income" on page 467, which mentions the voluntary targeted separation scheme. How many redundancies fall within the arts section of the Department of Local Government, Sport and Cultural Industries, and how many of those positions are in regional areas?

Mr D.A. TEMPLEMAN: As the member would be aware, the government's overall target is for 3 000 voluntary separations, as referred to in the budget papers. I refer the member to the budget update. By 30 June 2018, we expect that some 2 500 voluntary targeted separations will have been achieved. That is a focus of government and, across government, that figure is the overall target.

Mr R.S. LOVE: Is there no target for the Department of Local Government, Sport and Cultural Industries and are there no targets within any particular departmental programs?

Mr D.A. TEMPLEMAN: All agencies across government are part of the global target. I remind the member that these are voluntary separations, not mandated or forced.

Mr A. KRSTICEVIC: I think *The West Australian* reported that 39 redundancies were from the minister's department; is that correct? If it is not 39, how many people from the minister's department have taken redundancies?

Mr D.A. TEMPLEMAN: I refer the member to the budget update for the overall figures.

Mr A. KRSTICEVIC: I referred to the minister's specific department.

Mr D.A. TEMPLEMAN: The department's responsibilities are part of the global, overall target. I refer the member to the budget update.

Mr A. KRSTICEVIC: The minister must know how many redundancies have been offered in his department. I find it hard to believe that he would not know that.

Mr D.A. TEMPLEMAN: I am happy for the director general to make a comment.

Mr D. Ord: The number of separations at the time when the budget papers were prepared was 33. I believe that six were subsequently included, which would make the 39 positions that the member referred to. They came from offers made to the original tranche of people who applied for voluntary separation. They were people who wished to separate at a particular point and they were not from any specific area of the department. They were from across the broad range of portfolio divisions.

Mr A. KRSTICEVIC: How many more voluntary separations does the minister have in mind for his department over the forward estimates?

Mr D.A. TEMPLEMAN: The government's consideration is a global target. These are offered as voluntary separations. I do not know how many people within the department may take up that offer going forward. It is up to them; it is a voluntary severance process.

Mr A. KRSTICEVIC: What reference is being made to frontline services? If the minister is saying, "However many people want to take it, whenever they want to take it; I'm not really interested. It is voluntary" and they all decide to put up their hands, there will be no-one in the department. To reach the global target of 3 000 positions, is the minister comfortable with that?

Mr D.A. TEMPLEMAN: The government is committed to budget repair and repairing what the former government did—the destruction that the member was part of as part of the previous government.

Mr A. KRSTICEVIC: But, frontline services —

Mr D.A. TEMPLEMAN: The government is committed to budget repair that includes a voluntary severance scheme. Again, I highlight that it is a voluntary scheme. It is to fix up the previous government's mess. The department's responsibility, and ultimately the director general's responsibility, is to ensure that the ongoing function of the department continues. I am very confident that it will continue in a very effective way.

Mr R.S. LOVE: The original question I asked included the effects of the voluntary targeted separation scheme in the regions. Does the minister have a breakdown of positions from his department that have been lost in regional areas of the state?

Mr D.A. TEMPLEMAN: My understanding is that no regional positions have been affected.

Mr S.A. MILLMAN: I refer to the third-last dot point under “Significant Issues Impacting the Agency” on page 448 of budget paper No 2. An allocation of \$6.5 million has been made to upgrades for His Majesty’s Theatre. The Western Australian Academy of Performing Arts is located in my electorate of Mount Lawley and it produces a number of graduates who end up performing at His Majesty’s Theatre. What benefits will this investment provide for arts organisations and audiences who utilise this iconic facility?

Mr D.A. TEMPLEMAN: As I am sure the member is aware, His Majesty’s Theatre remains an iconic cultural institution in Western Australia from a heritage perspective. It is one of the oldest of its type—Edwardian, from memory—that is currently delivering to its original purpose, which is very significant for Perth and Western Australia. However, these buildings must also deliver occupational health and safety requirements for the safety of performers, technicians and audience members. Therefore, the works that have already been completed and will be completed as part of the significant \$6.5 million commitment in this budget will focus on allocations for upgrades to the back and front of house, including the orchestra pit. The orchestra pit must accommodate the West Australian Symphony Orchestra’s commitments to West Australian Opera. As the member knows, His Majesty’s is home to all those performing arts organisations. Of course, the Concert Hall is the primary one for the West Australian Symphony Orchestra, but WASO provides the pit support for the opera and ballet companies. Of course, it is also the home of the West Australian Ballet. That significant contribution allows for the ongoing functioning of that theatre and is a demonstration of this government’s commitment to that significant cultural icon in Western Australia’s culture and arts infrastructure. I think that will also be important as we seek to attract interstate and international tourists to Western Australia who will be able to come to see world-class performances in a very historic and significant performing arts venue.

[3.20 pm]

Mr S.A. MILLMAN: Unquestioningly, the graduates of WAAPA are world class.

Mr D.A. TEMPLEMAN: As the member for Mount Lawley knows, we have numerous examples of graduates from WAAPA, that wonderful institution in his electorate, who not only grace that stage, but also the stages of the world.

Mr A. KRSTICEVIC: I refer to item 68, “Net amount appropriated to deliver services”, on page 446. How much of that consolidated revenue is specifically for the culture and the arts budget from 2018–19 through to 2021–22?

Mr D.A. TEMPLEMAN: The budget estimate for the day-to-day operations of culture and the arts specifically is \$39 816 000.

Mr A. KRSTICEVIC: Is that for 2018–19?

Mr D.A. TEMPLEMAN: That is right.

Mr A. KRSTICEVIC: What about for the forward estimates?

Mr D.A. TEMPLEMAN: The forward estimates show a figure of \$40 289 000 for 2019–20. Then in the out years the figures are \$38 571 000 for 2020–21 and \$38 169 000 for 2021–22.

Mr A. KRSTICEVIC: On item 68, what is the appropriation for the local government budget for the years 2018–19 through each of the years to 2021–22?

Mr D.A. TEMPLEMAN: I will ask the director general to respond to this one.

Mr D. Ord: Because the Department of Local Government, Sport and Cultural Industries included, when we got the division, some multicultural interests, the budgets are together, so it is Local Government and Office of Multicultural Interests. I will give the member those numbers. The budget estimate in 2018–19 is \$17 703 000; in 2019–20, it is \$16 547 000; in 2020–21, it is \$16 013 000; and in 2021–22, it is \$16 133 000.

Mr A. KRSTICEVIC: How much of that is specifically for the Office of Multicultural Interests?

Mr D. Ord: It is a small amount—a couple of million dollars. It is \$2.4 million or thereabouts. The member could put that question on notice and we will provide the specific amount.

Mr A. KRSTICEVIC: Thank you.

The CHAIR: Minister, can you confirm what information will be provided?

Mr D.A. TEMPLEMAN: I think the member is just putting that question on notice.

Mr A. KRSTICEVIC: I thought the director general was going to provide it.

The CHAIR: Was it a question on notice?

Mr D.A. TEMPLEMAN: It is probably easier to do it as a question on notice. I suggest that the member puts the question on notice and he will get the answer.

Mr A. KRSTICEVIC: That is okay.

Mr J.E. McGRATH: I refer to the outcomes and key effectiveness indicators on page 454 and to the line item “Outcome: Effectively managed performing arts venues attracting optimal utilisation”. How many performing arts venues are being managed and what is the definition or target of “optimal utilisation”?

Mr D.A. TEMPLEMAN: I will ask the director general to answer because, ultimately, he is the general manager of the Perth Theatre Trust, which is the entity that oversees all the infrastructure of the performing arts spaces. I ask the director general to respond.

Mr D. Ord: The venues covered by the Perth Theatre Trust include His Majesty’s Theatre, which is owned by the state government; the Subiaco Arts Centre, which is leased from the City of Subiaco by the state government but run by the Perth Theatre Trust; the State Theatre Centre of WA, which is owned by the state government and managed by the Perth Theatre Trust; the Perth Concert Hall, which is owned by the City of Perth, leased to the Perth Theatre Trust and managed by Western Australian venues and events, a subsidiary of the West Australian Symphony Orchestra; the Albany Entertainment Centre, which is owned by the state and managed by the Perth Theatre Trust, but with funding support from the City of Albany; and now, recently, the Goldfields Arts Centre, which is owned by the state and leased to the City of Kalgoorlie–Boulder, which then operates the venue itself. The optimum utilisation of the venues is essentially a benchmark of how many performances could be hosted in a year. We have to take out of the number of available nights for the periods that are needed for maintenance and dark times that are caused by the turnover of shows. Generally, the optimum utilisation will be somewhere between late 60 per cent and 85 per cent. That is about the maximum utilisation. In our measures, we attempt to identify that we are within that optimisation zone.

Mr J.E. McGRATH: How many subsidised Perth Theatre Trust programs are there?

Mr D.A. TEMPLEMAN: I will ask the director general to answer.

Mr D. Ord: That is an interesting question to be asked of the minister because, of course, he is Minister for Culture and the Arts, and that in itself subsidises organisations that then hire the theatres. Therefore, technically, the state government subsidises most of the performances by resident companies in those venues. That includes Black Swan Theatre Company, Barking Gecko Theatre Company, Co3 contemporary dance company, Ochre [Dardark] Contemporary Dance Company, Yirra Yaakin Theatre Company, WA Ballet, WA Opera, the symphony orchestra and so on, and a number of project organisations. They would all be subsidised. The Perth Theatre Trust itself has a small programming budget, which is around \$300 000 per annum. That money is used to try to encourage users who traditionally might not be able to access our venues or to diversify the audiences. For instance, last year we provided His Majesty’s Theatre for nothing for the Perth Symphony Orchestra to do Unplugged: Nirvana Reimagined. That 1 000-seat show was sold out within three hours. We made a contribution to help that happen because no-one knew whether people would come to see a symphony playing rock music. As it turned out, there was a big audience for it so they are now doing a fully commercial version of it as a reprise. That is a good use of some subsidy from the venue to try to diversify audiences and encourage its utilisation, but the sum that we apply to that purpose is quite small.

[3.30 pm]

Mr D.A. TEMPLEMAN: A recent example of the Black Swan State Theatre Company being supported through a royalties for regions commitment was the regional tour of *The Lighthouse Girl*, which was a successful Black Swan production last year. Funding was provided by the government to support the tour of that production in regional venues. The production only recently concluded its tour and is another example of the government supporting or subsidising activities in some of our regional venues.

Dr A.D. BUTI: I refer the minister to page 447 of budget paper No 2 and the line item “Premier’s Book Awards” under the heading “Spending Changes”. As we know, the previous Premier gutted the Premier’s Book Awards. Could the minister please tell us what he has done to restore the prestige of those awards?

Mr D.A. TEMPLEMAN: I thank the member. As he has correctly highlighted, the awards were curtailed by the previous government. One of our election commitments was, indeed, to reinstate the Premier’s Book Awards. It is really important that we acknowledge creative writers within our state. These awards are one way in which we elevate the significance and skill of Western Australian writers. Currently, the State Library of Western Australia is developing options for delivering an annual scheme to meet that election commitment that will fit within the State Library’s budget allocation for 2018–19, moving across the forward estimates. Will the Premier’s Book Awards look different from previous ones? Possibly—that is part of the ongoing formulation of reinstating an awards scheme that focuses on our state’s writers.

Mr A. KRSTICEVIC: I refer to the fifth outcome listed on page 453, “Government records and the State archives are appropriately managed and accessible”. How many investigations and prosecutions have been undertaken by the State Records Commission since the current government has been in office?

Mr D.A. TEMPLEMAN: To ensure that the member gets an accurate answer, I request that he put the question on notice. It is a good question, but I do not have an answer.

Mr A. KRSTICEVIC: Is the minister happy to put that on notice here?

Mr D.A. TEMPLEMAN: If the member just puts it on notice as a question on notice.

Mr A. KRSTICEVIC: All right. Under that outcome, are ministers' text messages and electronic phone messages on services such as WhatsApp considered state records and subject to record-keeping plans?

Mr D.A. TEMPLEMAN: The short answer is yes.

Mr A. KRSTICEVIC: Is it a breach of the act for a minister or a member of a minister's staff to destroy text messages, voicemails or other electronic phone messages?

Dr A.D. BUTI: What does that have to do with the budget?

Mr A. KRSTICEVIC: It is about state records, archives and managing information appropriately.

Mr D.A. TEMPLEMAN: I will ask my chief of staff to give some clarification that, hopefully, will answer the member's question.

Mr G. Hamley: Text messages received by ministers and their staff are bound by the State Records Act. In situations in which a message that has been sent or received has substance and is a part of the state record, it is to be captured, recorded and stored. If it is a message that has no impact on the state record, it can be deleted.

Mr A. KRSTICEVIC: Who actually makes the interpretation of whether it has an impact? Does the State Records Commission give that approval, or does the minister or a staff member make that decision?

Mr G. Hamley: As with all records, it is up to the officer to comply with standards and the State Records Act. All ministerial staff are trained in the requirements under the State Records Act.

Mr A. KRSTICEVIC: So it is up to the individual to determine whether the message is or is not relevant to state records?

Mr G. Hamley: Correct—like any other record that officers handle.

Mr A. KRSTICEVIC: In the Department of Local Government, Sport and Cultural Industries, is there a records destruction procedure that is followed, or does everyone just do whatever they feel like, based on their own knowledge base? The minister is indicating that they make a determination. I am assuming that there are procedures and checks and balances before records are destroyed.

Mr D.A. TEMPLEMAN: It is appropriate for the director general to respond to this question because it relates to the department.

Mr D. Ord: Within the department, under the State Records Act, there are disposal authorities, and each department is required to have a record-keeping plan that includes the matter of how it manages the disposal of non-state records. Most departments—in fact, all departments of government, to my knowledge—have information management divisions with appropriately trained officers, whose responsibility it is to ensure that the records management systems are maintained, that the integrity of state records are maintained through them, and that the disposal of records is managed through that division in accordance with the standards under the act. With now virtually all-digital government, when physical records such as files and so on are destroyed, they often can be rediscovered just because of the archiving of digital information. It is probably more secure nowadays than it was in times past because records are created and digitally transferred to paper and then become both paper records and digital records simultaneously. But even allowing for digital records, there are standards around how they can or cannot be disposed of.

Mr A. KRSTICEVIC: Are there rules, standards and procedures that follow for voice messages and text messages?

Mr D. Ord: Yes. As the minister said, records that are captured through, for instance, phone or mobile devices, when they are recorded or in text form, have to be maintained in the same way as records that are captured on paper or on the database of the agency.

Mr A. KRSTICEVIC: What are the procedures for a minister or a minister's staff member deleting voice messages and text messages?

Mr D.A. TEMPLEMAN: That is not a question for the director general. That is a question, ultimately, for the minister's office, so I will ask Mr Hamley to confirm and respond.

Mr G. Hamley: Those procedures are bound by the Department of the Premier and Cabinet, which is not part of this discussion. Ministerial offices are bound by Department of the Premier and Cabinet procedures.

Mr A. KRSTICEVIC: Are there documented procedures for the Department of the Premier and Cabinet that the ministerial office follows in terms of how it destroys its voice messages and text messages?

Mr G. Hamley: That is a question for the Department of the Premier and Cabinet.

Mr A. KRSTICEVIC: But does the ministerial office have those procedures? The minister said it follows those procedures.

Mr D.A. TEMPLEMAN: They are procedures that are administered via the Department of the Premier and Cabinet, but if the member has further questions on that, he would need to direct them to the appropriate minister.

Mr A. KRSTICEVIC: Thank you.

[3.40 pm]

Mr R.S. LOVE: I refer to page 469 of budget paper No 2, volume 2, and the eighth line item, “Creative Regions Program”, in the table headed “Details of Controlled Grants and Subsidies”. What is the total communications and marketing budget for that fund? Does that include marketing the program to regional areas?

Mr D.A. TEMPLEMAN: Do you want information on how much of that allocation is spent on marketing?

Mr R.S. LOVE: Yes, and how much will be targeted to regional areas?

Mr D.A. TEMPLEMAN: I will ask Mr Colin Walker, executive director of the Department of Culture and the Arts, to respond.

Mr C. Walker: There are a number of schemes under the Creative Regions program. Some schemes are run directly by the department and marketed through the department’s normal processes, so the cost of those is not isolated from the rest of the marketing of the grants programs in the department. We do not allocate specific funds; it is just part of the normal grants processes. We do not take a proportion of Creative Regions funds to market those particular schemes that the department runs. In relation to some of the other schemes operated by other organisations—we devolve responsibility to Country Arts WA and CircuitWest, for example—they operate their own administration procedures and they maintain a percentage of the allocation for administrative purposes, of which marketing to their stakeholder base, which is all regionally based, is part of their processes. We had an evaluation by KPMG on the efficiency of those schemes and to see what they were in relation to benchmarks across industry for administration of the programs and they came out favourably within that report, but I do not actually have the individual marketing amounts for those particular entities and what they spent on marketing their programs.

Mr R.S. LOVE: Will any measures be taken to ensure that regional musicians are aware of this fund specifically?

Mr D.A. TEMPLEMAN: As part of the Creative Regions program, as Mr Walker highlighted, the actual projects can vary. Some of them are administered by the organisation known as Country Arts WA. In fact, Country Arts advertised for projects a couple of months ago. Other programs not overseen by Country Arts WA may be directly delivered by the department. Ultimately, I suppose, the key premise is that as much of that program is delivered to the regions as effectively as possible using that money. I understand that a number of those programs end up, if you like, being delivered by local artists in regional areas. Does the member want an example of a Creative Regions program that delivers specifically?

Mr R.S. LOVE: Just in general terms.

Mr D.A. TEMPLEMAN: They can be quite broad. Some of them—correct me if I am wrong, Mr Walker—might involve \$10 000 or \$15 000 grants to individual artists for particular projects in a region where they might engage with the local community through a local government facility or, indeed, through a local performing arts centre if that particular regional community has one. I assure the member that the bulk of the money goes to the product, or the project. If the project is delivered by or is an auspice of Country Arts, there is an administration aspect to it, but the premise of the program is that it is delivered into the regions utilising and engaging local artists. I am happy for the director general to add to that if he thinks it is necessary.

Mr D. Ord: Just to assist the member with his general inquiry, the concept of devolving funds to organisations like Country Arts and for country people to make decisions involving country artists being able to receive support at a local level has been very successful in building up the vast array of regional festivals that we have. The Nannup Music Festival is one great example.

Broadly, the department undertook some major reform of its funding programs over the last several years, including moving to fully online and quick turnaround grants programs. As a consequence of that, we noticed that our regional applicants increased their net share of funding. We believe that happened because the online format was a much more accessible format for applicants to engage with the department. They did not have the feeling that they had to come in and meet with officers and so on in Perth. Also, the quick turnaround grants program suited the more informal nature of organising cultural events in the bush. I think, overall, we can generally show, by evidence of data, that regional artists have benefited from not only the Creative Regions program but also a number of other reforms around access and equity in mainstream funding programs.

Mr R.S. LOVE: Is the process of engagement with regional areas something that the department would do in other programs? I see, for instance, that the contemporary music fund is starting up. Would a component of the contemporary music fund also be—although it is not royalties for regions as such—targeted to regional musicians and regional areas rather than be city based?

Mr D.A. TEMPLEMAN: We want regional musicians to be actively engaged in that process and that is why the WA music industry will deliver that election commitment as it is developed and that money is devolved. Certainly, regional musicians and regional artists will be encouraged to participate.

Mr R.S. LOVE: How will that encouragement occur?

Mr D.A. TEMPLEMAN: The industry will be a key player in assisting us to deliver that election commitment. As the member well knows, there are extensive examples of high-quality musical talent in the regions who have achieved international and national recognition. This fund is certainly about how we, for the state, nurture, encourage and continue to develop a high-quality contemporary music industry in the state.

Mr R.S. LOVE: In general terms, how is the department set up so that it can push out that program to the regions and make people in the regions aware of it? The structure—how does the department make that happen?

Mr D. Ord: The department supports a range of facilitation entities. In the case the member asked about, West Australian Music is a funded organisation of the department. On top of assisting that entity to exist, we also support its engagement programs. West Australian Music is heavily engaged across regional Western Australia. I would say that at least 50 to 60 per cent of its activities are in remote and regional areas. West Australian Music has been a strong supporter of the growth of Aboriginal music, and Western Australia is over-represented in talented bands throughout the great southern and the midwest, out in the Western Desert and so on. They are often the groups that need some support in, as you can imagine, not only developing musicianship but also getting their first chance to be recorded and then, ultimately, getting a chance to get on some sort of touring circuit. We support three industries to try to get on their own feet and be commercially successful—fashion, contemporary music, and film. With contemporary music, our main objective is to help meet the market barriers; therefore, we tend to focus on those who are most disadvantaged. There is a bit of a difference between a rock band in Fremantle seeking links into, say, the American commercial music market, and a band out in Wiluna seeking a chance to play in Kalgoorlie. We are very confident that we have the capacity using our existing network. Country Arts WA is also involved in this area of regional venues and so on to ensure that the contemporary music fund fully represents and gives opportunities to all artists in that sector wherever they live in Western Australia.

[3.50 pm]

Mr R.S. LOVE: Is there a specific component dedicated to regional areas or is it just whatever falls down? What is the department's relationship with Country Arts WA for the delivery of that particular contemporary music fund?

Mr D.A. TEMPLEMAN: As the director general has highlighted, the funded body or the funded organisation, WAM—West Australian Music—continues to engage very heavily. The percentage was highlighted in regional WA. The aim of this election commitment, which I think is excellent, is to support those artists who need to be supported to get to that next level and to open up opportunities nationally and even internationally. Regional entities will continue to be one of the focuses, but it has not been —

Mr D. Ord: We are still consulting on it.

Mr D.A. TEMPLEMAN: That is right. There is still ongoing consultation and discussion with industry on how best we deliver that. Are we hiving off \$1 million for regions and \$2 million—no, we are not.

Mr R.S. LOVE: Is none of it supported by royalties for regions?

Mr D.A. TEMPLEMAN: No. This is a Labor Party election commitment.

The CHAIR: I want to move on. We have been on that topic for 12 minutes. The member for Bicton has been waiting very patiently.

Mrs L.M. O'MALLEY: I refer to the heading "Other" under "Spending Changes" on page 447 in budget paper No 2. There is a new allocation of \$1.5 million over three years for "Albany Entertainment Centre—Operational and Maintenance Costs". How will this investment ensure the ongoing sustainability of the centre and provide continued access to performing arts for communities in the great southern region?

Mr D.A. TEMPLEMAN: As the member is aware, Albany Entertainment Centre is an asset owned by the state and managed, of course, for the great southern community. It is a remarkable cultural asset for the City of Albany and for the region. It continues to attract significant audiences throughout the year. On average, about 40 000 people attend events, performances, conferences and functions at that centre. That can equate to over 200 events annually. The centre is also an important regional centre for a number of key performing arts companies to perform, including the West Australian Symphony Orchestra, the Australasian Performing Right Association and the Black Swan State Theatre Company. They include Albany as part of their regional touring program. I mentioned *The Lighthouse Girl*, which premiered in Albany last year. Additional regional funding allowed that to again tour regionally.

To ensure funding certainty, the government will allocate \$500 000 annually from 1 July 2019 through to 30 June 2022. That is on top of an original commitment of \$464 000. That is a significant commitment to the

operation of that centre. Obviously, the department and the government will continue to work with the City of Albany through the Albany Entertainment Centre operational advisory committee to make sure that the ongoing sustainable future of that important cultural asset is maintained into the future. The people of Albany are very proud of it. I am sure that the member has been there. It is a remarkable building and it is an important part of the cultural landscape of the great southern region.

Mr A. KRSTICEVIC: With regard to the WA Museum and savings of \$32.4 million because of the omission of a basement for the new Museum project, how much of that, if any, will stay within the Culture and the Arts budget?

Mr D.A. TEMPLEMAN: As the member is aware, the government has committed to deliver the new Museum project, which will essentially open in 2020. There have been some savings from the removal of the temporary exhibition, or what was proposed to be an underground temporary exhibition gallery. There are a number of reasons that was removed, including issues associated with the savings on the project but also, more importantly, there were some significant issues around construction risk and environmental risk by having a subterranean component. Ultimately, the new Museum's overall exhibition space will be very significant and we will end up with a world-class gallery. Some of those savings have been reallocated. One example is the upgrade to His Majesty's Theatre, which I mentioned earlier, of some \$6.5 million. Some associated savings will assist in budget repair.

Mr A. KRSTICEVIC: How much of a reduction, in square metres, has there been in the exhibition space and how much exhibition space will there now be?

Mr D.A. TEMPLEMAN: The removal of the temporary subterranean exhibition gallery was a reduction of approximately 1 000 square metres. Regarding what the total design of the new Museum will show in gallery space, I will ask the director general to comment on that.

Mr D. Ord: The new Museum project is being built under a business case established in 2012. It had a range of ambitions, including a temporary exhibition gallery of 1 000 square metres that would be built to world-class standards, to a particular height dimension and with particular accessibility for major objects to get into it for the really big touring exhibitions of the world. The design concept had put that in an underground basement. When we considered the risks, we also discovered that in looking at the overall concept design, the project was going to exceed the design brief by a significant number of square metres. That provided a cost risk to the project. We also had engineering risks, as the minister said, related to excavating underground and the state would have to have taken on liability for anything that was under there, plus the risk, of course, of watertable rises and other matters that we were concerned about for long-term maintenance and security. We would not want the international exhibition gallery to be unusable because of humidity issues or something like that. At the end of the day, we reinvested savings measures to ensure that an international gallery would be built and we repositioned that on the second floor. We have brought the project, if you like, back to the original scope and brief of 2012, and we will deliver the 7 000 square metres of exhibition space that was envisaged. Essentially, it was just part of the design phase and determining that we could bring the project in on time and on budget. It is a very competitive building market, as the member knows, and we have been very successful at negotiating a very good price, so we have been able to effect some savings without lowering the expectations of the community for the project.

[4.00 pm]

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

Mr A. KRSTICEVIC: I refer to the entry fee to the new Museum. If a year 10 school group goes there and half the students are 15 years old and half are 16 years old because of the split of the school year, is the government looking to charge schools and classrooms with some students paying while others are given free entry based on their age?

Mr D.A. TEMPLEMAN: As the member knows, the proposed fee structure is \$15 for adults and \$10 for concession, and free for people aged 15 years and under. Of course, we expect that school students on a school excursion will not be charged to enter the Museum.

Mr A. KRSTICEVIC: Does that mean that year 11 and year 12 students will not have to pay the entry fee if they are on a school excursion?

Mr D.A. TEMPLEMAN: We will formalise a policy on that. There is also the capacity to package and other opportunities. All those things are still to be finalised. The delivery of the new Museum is still two years away. The government and I will consider students very closely as the new Museum gets close to delivery.

Mr S.A. MILLMAN: We have had a fair amount of discussion about regional areas, and I appreciate that the minister represents a regional electorate, but I wonder whether I can bring it back to the metropolitan area.

Mr D.A. TEMPLEMAN: I am glad the member has recognised that! There are some who do not recognise that!

Mr S.A. MILLMAN: I refer to page 447 of volume 2 of budget paper No 2 and the heading "Spending Changes". The second line item under the heading "Election Commitments" is "Contemporary Music Fund", with an

allocation of \$3 million over four years. We have had some discussion about the contemporary music fund. The minister will be aware that the radio station RTRFM is located on Beaufort Street in my electorate of Mount Lawley. How will this investment support WA musicians and deliver greater employment and economic outcomes for the musicians of WA?

Mr D.A. TEMPLEMAN: As the member is aware, last year I attended RTRFM's fortieth anniversary event. The RTR radio station has played a very important role, particularly in showcasing contemporary artists, and it is great we have organisations like RTR that do that. I think there was also a Local Project, Local Jobs commitment —

Mr S.A. MILLMAN: Yes, there was.

Mr D.A. TEMPLEMAN: — that supported RTR's activity. RTR's role in this is very much supporting the initiative of the election commitment. At the end of the day, I want to see this election commitment for the contemporary music fund get to artists, artisans and musicians to assist them to break into new markets—national and hopefully international—and get that exposure. The ultimate form of the fund and its delivery are still to be finalised, and that is why the industry is actively engaged in that. RTR, as a medium that promotes Western Australian contemporary music, will probably play an enhanced role in supporting what we are trying to achieve through a contemporary music fund. I am very confident that through that \$3 million commitment we will support an industry that is estimated to deliver around \$1 billion annually to the WA economy. It also supports and creates some 3 000 direct jobs. We want a vibrant Western Australia. We want vibrant regions and we want vibrant parts of the metropolitan area. We want high-quality live music venues and we want to see our musicians have access to those venues to share their expertise and talents. It is part of the government's overall approach to marketing Western Australia as not only a great place to live, but also one that values the creative industries. We see the contemporary Western Australian music industry as an integral part of that narrative about diversifying our economy and highlighting how important the creative industries are to a modern Western Australian economy going forward.

Mr A. KRSTICEVIC: The government's election commitment was for a creative music fund, not a contemporary music fund. Is there a difference? Is the government excluding people by calling it a contemporary music fund? Will creative artists be excluded if they are not contemporary?

Mr D.A. TEMPLEMAN: No.

Mr A. KRSTICEVIC: Will it be a grants program? How will it be administered?

Mr D.A. TEMPLEMAN: As I said, the final delivery of the contemporary music fund is still to be determined, because we are actively engaging with the industry itself. The industry is best placed to advise how it can best be supported by government to deliver what needs to happen so that our local musicians, be they regional or otherwise, can share their talents with the world. It is an industry that has huge potential. This is the digital age and there has been a range of innovations in modern music genres, and they continue to change almost overnight. We want to be right at the front and centre of that. We reckon we have got a great story to tell with our cultural creative talents in the music industry in Western Australia. We already have a track record that demonstrates that, and we want younger, and older, musicians to be heard worldwide. I think it is a magnificent commitment.

Mr R.S. LOVE: I refer to page 468 of budget paper No 2 and the heading "Income from State Government". Under the line item "Royalties for Regions Fund", a number of different funds are listed, the main one being the regional infrastructure and headworks fund. What projects, venues or facilities are being funded from royalties for regions and what work is being done to identify other projects that could be funded from that scheme? Has the government been actively looking to hive off existing programs and get them funded by royalties for regions?

Mr D.A. TEMPLEMAN: The fund that the member is referring to is the regional community services fund.

Mr R.S. LOVE: That is nearly \$18 million this year, and then it drops to \$7.8 million and \$8.2 million.

Mr D.A. TEMPLEMAN: A range of projects are listed there. Does the director general want to make a comment on that?

Mr D. Ord: It is in another division, being sport and recreation.

Mr D.A. TEMPLEMAN: I think that item refers to a community sport and recreation commitment, not a cultural arts commitment.

Mr R.S. LOVE: Does it? I thought it referred to everything in the department. The Creative Regions program is royalties for regions-funded. That would be under that.

[4.10 pm]

Mr D. Ord: The department is the Department of Local Government, Sport and Cultural Industries, so it includes an appropriation for the sport division, which Minister Murray will respond to in estimates later. Because royalties for regions is headlined, there are elements that come to us for local government, which is the country local government fund, but the regional community services fund is related to sport and recreation activities. Creative Regions is arts.

Mr R.S. LOVE: I do not think the answer is correct, in so far as it was my understanding that Creative Regions was funded by royalties for regions. That funding must come from that particular source.

The CHAIR: That is a statement, member. You need to ask a question.

Mr R.S. LOVE: I have asked a question, but I am not satisfied with the answer.

Mr D.A. TEMPLEMAN: I am not trying to avoid the question.

Mr R.S. LOVE: I am happy to take it as supplementary information if the minister is able to provide me with the programs from his areas of the appropriation that are being funded from royalties for regions. I am happy to take that as supplementary information.

Mr D.A. TEMPLEMAN: Can I just get some clarification? Under which line item is the member asking this question?

Mr R.S. LOVE: Under the line item of income from the state government, which is the regional community services fund of \$17.9 million, but going through the forward estimates as well. This is on page 468.

Mr D.A. TEMPLEMAN: Does the member want detail on the regional community services fund?

Mr R.S. LOVE: Which programs in the minister's areas of service delivery are actually being funded by royalties for regions?

Mr D.A. TEMPLEMAN: All the information we will be able to provide is related to culture and the arts programs or projects allocated to that fund. My understanding is that we do not have that information with us.

Mr R.S. LOVE: I am asking about the services that we are discussing under this division.

The CHAIR: Is the minister happy to provide that as supplementary?

Mr D.A. TEMPLEMAN: I am happy to provide supplementary information to the member about any moneys expended of a culture and the arts nature from the regional community services fund.

[*Supplementary Information No B6.*]

Mr R.S. LOVE: There is another part to my question that has not been answered. Is the minister doing any work to identify other projects that might be funded from royalties for regions in the future? We discussed the Creative Regions program coming to an end. Is the minister looking at any other projects to try to attract royalties for regions funding into his area?

Mr D.A. TEMPLEMAN: The member may be aware of the regional film fund, which is drawn from royalties for regions. It is specifically available for regional film activity. There are a number of previous and current examples of that fund being drawn on for regional film activity. The last one was the film *Breath*, which premiered earlier this month, and a couple of other film projects include some funding from ScreenWest and have also accessed the regional film fund. I am a strong supporter of the regional film fund. There are very good examples of that fund providing support for some very good films made in regional Western Australia. One that will go to air later this month is the ABC production in Kununurra of *Mystery Road*, which attracted some funding from that fund. A film called *Go-Kart* has just finished filming in Busselton and Bunbury, and also attracted some funding from that fund. The funding varies in dollar amounts, but it is very important in supporting ongoing film activity in regional Western Australia. There is very good evidence showing the positive impact filming in regional Western Australia can have on the local economy, and also on pride and community cohesiveness. That was borne out very well in the recent *Breath* experience in the Denmark and Albany areas. For six or seven weeks of filming, the community of Denmark and surrounding areas was very highly engaged and actively involved in assisting with the film's production, sourcing local businesses and local people as cameo extras. Another good example is *Jasper Jones* and the impact that that film had on the community of Pemberton, where it was mainly filmed. These film activities are magnificent tourism opportunities for marketing the state. We have a spectacular southern coast, beautifully showcased in *Breath*.

Mr A. KRSTICEVIC: I want to ask a question about the Art Gallery of Western Australia, and the Auditor General's report on the serious issues around our \$300 million collection. What measures are being taken to deal with this, and has any money been allocated in the budget to help prevent the destruction of that \$300 million asset?

Mr D.A. TEMPLEMAN: As the member knows, the Auditor General's report raised a range of concerns and made some recommendations. The government and the Art Gallery of Western Australia, including its board, are focused on working with the department to make sure that the ongoing protection of the state's art collection is given priority. The department will continue to work closely with the Art Gallery board to address the issues highlighted in the Auditor General's report. I am very pleased that a former arts minister has now been appointed to the board of the Art Gallery. I expect big things from John Day, and I am sure he will support the board's efforts

and endeavours to address the concerns that were raised. I was very pleased to appoint him to the board of the Art Gallery of Western Australia. He will be a great addition to the expertise of Sam Walsh and the team who make up the Art Gallery board. The foundation, of course, is a very important philanthropic supporter of the Art Gallery's activities. We need to get the storage issues sorted out and make sure that the integrity of the state's art collection is protected. One of the commitments of this government is its Boost program, which is an \$8 million commitment over six years, focused on getting our state's art collection out to the regions and to the broader community to enjoy and view. As the member is aware, only a small proportion of our art collection ultimately gets seen. We want to vastly improve that. We take the recommendations of the Auditor General very seriously, and the department and the Art Gallery of Western Australia will work very closely to address those issues that have been highlighted.

[4.20 pm]

Mr A. KRSTICEVIC: With regard to the state archives, the 2016–17 annual report of the State Records Commission states on page 18 that the State Records Office anticipates a significant increase in requests for assistance as the machinery-of-government change process continues. Has there been an increase in pressure on the State Records Office as a result of the machinery-of-government changes and has this impacted on the agency's compliance with record-keeping standards?

Mr D.A. TEMPLEMAN: I will ask the director general to respond.

Mr D. Ord: The registrar of the State Records Office prepared an assessment of the machinery-of-government changes and the likely impact on the consolidation of government records and prepared a submission to the Public Sector Commission seeking commission support to second officers to work with the State Records Office to form a bit of a task force approach to it. A number of agencies have agreed to do that and that work is ongoing. They took measures to address the resource issue without requesting additional appropriation and to draw on the net resources of government to help, if you like, with the added workload of taking on the task of giving advice. As the responsibility to manage state records is held by every CEO, machinery-of-government CEOs are required to take into account how they can bring their records and ensure, if they take on the records of other agencies, that they are transferred with those responsibilities. That work is ongoing across the machinery of government and we will report on the outcomes of that as part of our continuous reporting obligations to the State Records Office and the State Records Commission.

Mr A. KRSTICEVIC: Are the State Records Office and the State Records Commission resourced appropriately to deliver services as they are obliged to under the legislation?

Mr D.A. TEMPLEMAN: The allocation of resources is, in my view, appropriate to ensure that the office carries out its function.

Mr A. KRSTICEVIC: I think the minister said that he was going to provide me with information on record-keeping audits and compliance issues. Are enough of those audits being undertaken to ensure that records are being maintained across the government sector to the required standard?

Mr D.A. TEMPLEMAN: Practices and protocols are in place to ensure that the statutory responsibility for record keeping and, indeed, archiving is done in an appropriate way as per the legislation and the requirements, and I am confident that that is occurring and that, if there is a change to that, they will be brought to my notice and to the notice of government.

Mr A. KRSTICEVIC: I refer to item 13, "Collections Management, Research and Conservation Services", in the table on page 452 of the budget papers. I note that there is a big increase in funding from \$10.9 million in 2017–18 to \$18.1 million in 2020–21. What does that increase relate to?

Mr D.A. TEMPLEMAN: The allocation for that line item relates to the operations of the new Museum.

Mr A. KRSTICEVIC: The 2016–17 annual report of the State Records Commission states on page 19 that currently no conservation services are available to the State Records Office to support the ongoing protection of fragile items. Is there any funding under that item to protect fragile items?

Mr D.A. TEMPLEMAN: There is an allocation for those works within the budget. It falls within the responsibility of that unit to carry out that role.

Mr A. KRSTICEVIC: I refer to item 3, "Arts Industry Support", on page 452 of the budget papers. I note there is a decrease from \$19.9 million to \$16.6 million. What does this funding decrease relate to and what sorts of services or support will be lost?

Mr D.A. TEMPLEMAN: The decrease in the 2019–20 forward estimates compared with the 2018–19 budget is mainly due to the completion of the royalties for regions Creative Regions program.

Mr A. KRSTICEVIC: I refer to the decrease in funding for item 5, “Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government”, from \$18.2 million to \$15.8 million. Again, what does that decrease relate to?

Mr D.A. TEMPLEMAN: The decrease in the 2018–19 budget estimate compared with the 2017–18 estimated actual is due to one-off funding for office fit-out costs in 2017–18 and the removal of rent and office accommodation funding for level 14 of Gordon Stephenson House from 2018–19.

Mr A. KRSTICEVIC: I refer to the third outcome on page 453, which is for a sustainable arts and cultural sector. The third item under that outcome is the ratio of government funding to other income. What are the reasons for the changes to the figures and is it a result of a decrease in other income or an increase in government income? The ratio goes from one to 4.14 to one to 3.96 to one to 3.59 to one to 3.61.

Mr D.A. TEMPLEMAN: Principally, the drop is attributed to a reduction in private income—philanthropic donations and fundraising—compared with that in the 2017–18 budget year. It is an area that the department has become concerned is becoming a trend, so, as a result, it introduced a new annual private sector award for arts organisations, the ceremony for which I attended late last year. It is aimed at recognising the important contributions that philanthropic organisations, corporations and individuals make and have made for many years to culture and the arts organisations and activities. It had not been done for a long time. It is something that I think the department will continue to do to acknowledge those corporations that have a long history of supporting culture and the arts activities in Australia, but also to encourage others that have not, up until this stage, become involved in supporting culture and the arts activities. I want to grow that. It is important that we grow philanthropic corporate support, but at the same time acknowledge those corporations that have continued to support some of our organisations. Some of our production organisations have been supported significantly by corporate institutions for many years and they have not necessarily been recognised for that, and I think they should be.

Mr A. KRSTICEVIC: How much has private sector investment decreased? Is the government making up the difference; and, if not, which programs are being lost?

[4.30 pm]

Mr D.A. TEMPLEMAN: Although there has been a decline, I think the pressure goes on to the organisations to look at other opportunities and sources. As we move forward, I hope that we will find additional corporates to fill the void and encourage creative and innovative ways that corporates can support the activities of our cultural organisations. Their support is not always just by a cash injection; it can be by supporting individual projects or programs. The department is actively engaged with corporate Western Australia and philanthropic individuals to grow that income stream for culture and the arts going forward.

Mr A. KRSTICEVIC: For further clarification, there has been a funding decrease, so what has been cut?

Mr D. Ord: The percentage is calculated from the reports of organisations that we fund. We give them a particular sum of money and they report back the total effort, so we determine the leverage effect of state funds by the total effort of self-generated revenue, which includes corporate giving, box office revenue and other sources. Effectively, if there is a downturn on their side of the equation, when they have less box office or self-generated revenue, our performance indicator slips a bit, which means the government will carry a greater proportion of total effort. Over the last 25 years, the trend has been that the proportion of government support against the total expenditure in the arts has been declining exponentially, which is a good thing because that extra revenue has been self-generated. The self-generation growth has slowed; in fact, it has gone backwards slightly. We have not reduced investment, so we have not cut any programs. The issue we have had, which is outlined in the budget papers, related to Lotterywest. Less revenue has come from Lotterywest’s statutory five per cent allocation to culture and the arts, which is a major component of what we spend. We have to reflect that reduction, which is due to Lotterywest’s net earnings, in reduced program delivery. We have indicated in the budget papers that, at this stage, programs related to fellowships have been cut or suspended. That is principally because a fairly generous fellowship program is available through commonwealth funding, so we believe that there are alternative sources for people to seek that kind of individual artist support.

Mr A. KRSTICEVIC: I refer to page 458 and “State Information Management and Archival Services”. The line item for total cost less income shows that income has gone from \$506 000 down to \$87 000. Can the minister tell me why there is a dramatic decrease?

Mr D.A. TEMPLEMAN: This is the state information management and archival services provided by the State Records Office of Western Australia. The cost for access is determined by taking 50 per cent of the total cost of services against the number of customer accesses for archival services during the year. The total number of accessed services per year for the State Records Office includes the number of accesses, which includes both government and public clients, for use of the search room, microfilm, online registrations, issuing research tickets

et cetera. It also includes the number of visits to the SRO catalogue and the number of accesses through the creation of digital and other copies, through either self-service digitisation or orders. I will ask the director general to clarify the specific decline the member referred to.

Mr D. Ord: The State Records Office occasionally receives revenue from charging for digitisation. It charges a small sum if someone seeks to make a digital copy. It also has periodically received money from Ancestry to digitise part of the collection. It pays for that service, which comes in by way of revenue. That is generally fairly ad hoc. About once every three or four years, it comes in with a particular idea in mind. We had one a few years ago, which would be reflected in that income. We also did some fee-for-service work for the former Department of Aboriginal Affairs to digitise its family history records. That work has now been concluded so that revenue is no longer in the budget.

Mr A. KRSTICEVIC: I refer to page 458 and “Cultural Heritage Management and Conservation”. A decrease in income is also shown there from \$467 000 to \$250 000. Why has that decrease occurred?

Mr D.A. TEMPLEMAN: The average cost relates to the level of resource input to the services provided. This indicator is arrived at by using a formula of the total cost of cultural heritage management and conservation services divided by the total number of objects. There we are; how was that?

Mr A. KRSTICEVIC: Okay! I will try to understand that a little bit better later on.

Mr D.A. TEMPLEMAN: Sleep on it tonight!

Mr A. KRSTICEVIC: I will.

I refer to the notes at the bottom of page 459 and on page 460. They both note lower income “due to expected reductions in grant income”. What grant income is expected to be less and which programs will be impacted?

Mr D.A. TEMPLEMAN: Is the member referring to page 459?

Mr A. KRSTICEVIC: I refer to note 1 at the bottom of page 459. It states —

The 2016–17 Actual income is higher than other comparatives as user fees and charges and other revenues exceeded expectations. The 2018–19 Budget Target is lower than all other comparatives due to expected reductions in grant income.

On page 460 under “Library, Literacy and Community Engagement”, note 2 states —

The 2016–17 Actual income is higher than other comparatives ... due to expected reductions in grant income.

Which grants does the department not expect to get and what programs will be impacted?

Mr D.A. TEMPLEMAN: To get an accurate answer for the member, I am happy to provide supplementary information responding to detail on the reduction in grants income as referred to on page 459.

[*Supplementary Information No B7.*]

Mr A. KRSTICEVIC: I refer to the third line item on page 454, “Percentage of Western Australians who actively engage with the State Library’s services”. I notice that there is a drop from 93 per cent in 2017–18 to 85 per cent in 2018–19. Can the minister tell me why there has been such a big drop in the number of people who actively engage with the State Library?

[4.40 pm]

Mr D.A. TEMPLEMAN: Is the member referring to the percentage of Western Australians who actively engage with the State Library?

Mr A. KRSTICEVIC: Yes, exactly. The budget figure is 93 per cent, going down to 85 per cent. Why are fewer people actively engaged?

Mr D.A. TEMPLEMAN: The State Library provides a wide range of information and services to the community from the State Library building, online through its website and with community partners through the very successful Better Beginnings program. The indicator measures in-person visitations to the library, including multiple visitations by the same person. It also measures online use of the website and catalogue, including multiple visitations by the same person, and the number of Better Beginnings packs delivered to families as a proportion of the Western Australian population. That is how they are measured. The member is asking why there is an estimated reduction, or an allocated reduction, to 85 per cent—so the difference between the actual of 2016–17 and the proposed budget target of 85 per cent. Does the director general have any comment to make on that?

Mr D. Ord: I am not aware of a particular downturn in numbers. Some programmatic changes have been going on and that may well be reflecting that. The Better Beginnings program, referenced in the note, was a time-limited program and has been reduced in certain areas, so the figure is probably reflecting that. Overall, the number of

visitations to the State Library is being maintained at the traditional trend level and there has been a big increase in the number of people accessing digital library services. I think this is more related to the specific inputs for this measure, but I will seek an explanation from the library and pass it on to the member.

Mr A. KRSTICEVIC: To clarify, the director general expects the standard to be as active as it has been to this point. Does he not think that figure is accurate?

Mr D. Ord: I do not think there has been a decline in visitation. As the minister pointed out, there are some complexities around how this percentage is calculated and related to program inputs. I think one of the program inputs has probably dropped out because it is time fluxed and that has reduced the percentage as a consequence.

Mr A. KRSTICEVIC: The second last dot point on page 448 states —

the SLWA is increasing its capacity to collect, create and manage digital format materials and skill its workforce accordingly.

How is this being achieved? What skilling is it currently undertaking or preparing to undertake?

Mr D.A. TEMPLEMAN: The dot point relates to digital format and digital materials. The State Library continues to work collaboratively with the National Library of Australia and other state and territory libraries to develop a service for submission management and access to digital legal deposit materials. This service will be underpinned by new regulations, which are proposed under the Legal Deposit Act 2002, for Western Australian documents available on the internet. The State Library will re-prioritise resources to new workflows and skill staff in preparation for the launch of that service. The State Library will work with publishers to ensure that they are aware of their legal deposit responsibilities and introduce them to working with the new service. Alongside the digital legal deposit materials, the State Library continues to acquire original digital content—these include photographs—and to create digitised versions of materials from printed heritage collection materials. Changes to the Copyright Act 1968 that will come into effect on 1 January 2019 will greatly expand the number of printed materials that the State Library can digitise and make available on the internet, so there will be some significant changes at the beginning of next year. There is a pressing need, though, for a digital preservation management system at the State Library to store, preserve and make accessible these digital documents for future generations. The State Library is responding to an ongoing need.

Mr A. KRSTICEVIC: Further to that point, are any funds being allocated for these things to take place or does the minister expect the State Library to crowdfund?

Mr D.A. TEMPLEMAN: Crowdfunding and other means, be they innovative or other, are some methods. At the end of the day, the whole issue around digitisation and the importance of digitisation remains a key challenge for the State Library. Certainly, the collaboration that the library is undertaking is an important part of addressing this ongoing and increasing challenge. As I said, the changes to the Copyright Act will have some impact, and, of course, in terms of ongoing budgetary considerations, I am sure this issue will be raised as part of those processes.

Mr A. KRSTICEVIC: There are currently 9 860 heritage films, of which only 10 per cent have roughly been digitised, and a number that are waiting to be digitised are deteriorating beyond repair, unless things are done urgently. Is anyone looking through these records at the State Library to identify the ones that need immediate restoration? Is money being allocated to that or is the minister happy for those records to be destroyed forever?

Mr D.A. TEMPLEMAN: The emotive end to the member's question is unwarranted.

Mr A. KRSTICEVIC: That is what will happen if we do not do something.

Mr D.A. TEMPLEMAN: There is certainly no intention to wilfully allow for the deterioration of important elements. As the member is well aware, the former government left this state's economic circumstances in a perilous position. The member did that wilfully, as part of a government that trashed the economy of the state of Western Australia. We are now in the process of budget repair. We recognise the importance of this matter and we will do that within the budget constraint that the member imposed upon us.

Mr A. KRSTICEVIC: I understand that only \$4.3 million is required to complete this job. Under the Local Projects, Local Jobs program, \$39 million was allocated last year to various groups. Why could the government not have taken \$4.3 million from the Local Projects, Local Jobs fund to save these State Library records?

Mr D.A. TEMPLEMAN: The Local Projects, Local Jobs initiative included significant election commitments that are being delivered throughout Western Australia. This project, or this initiative, or this need, is a pressing one. It has been recognised. This matter was not considered to be significant during the term of the former government. As with the challenges of budget repair that we are left to do, we will look at these issues and prioritise them. But in no way does that mean we see this as not being an important priority and concern.

The appropriation was recommended.

[4.50 pm]

Division 41: Planning, Lands and Heritage — Services 7 and 8, Heritage, \$13 188 000 —

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Heritage.

Mr G. Gammie, Assistant Director General.

Mr J. Deery, Chief Financial Officer.

Mr G. Hamley, Chief of Staff, Minister for Heritage.

[Witnesses introduced.]

The CHAIR: Member for Moore.

Mr R.S. LOVE: I refer to page 600 and the service “Cultural Heritage Conservation Services on Behalf of and Under the Direction of the Heritage Council of Western Australia”. Does the minister see an expanded role and expanded need for finance into that area with changes to the heritage legislation?

Mr D.A. TEMPLEMAN: I thank the member for the question. As he is aware, the new Heritage Bill for Western Australia is currently before the Parliament for debate. I thank him for taking part in that debate. The bill is currently under consideration in detail and I am hoping that it will pass the Legislative Assembly as soon as possible. In fact, I would expect that we will deal with it promptly when Parliament returns in June. The legislation has a range of important new elements for modernising the legislation and clarifying existing issues associated with a modern piece of heritage legislation. It is important to note that there are a range of functions that the Heritage Council and the Department of Planning, Lands and Heritage, of which Mr Gammie is part, are responsible for in delivering quality heritage outcomes. The member is asking about an expectation of increasing costs. That expectation is not really perceived because the legislation will highlight the responsibilities of local governments and owners of heritage-listed buildings. Of course, there are a range of opportunities through the heritage grants process and the revolving fund to preserve, reactivate and adaptively re-use heritage assets into the future. I am very confident that the Heritage Bill will provide even greater clarity around how we operate in the heritage area going forward.

The CHAIR: Members, I am going to allow one question as we go; each member will get a question. I am not going to allow further questions. We have 10 minutes. Member for Bicton.

Mrs L.M. O’MALLEY: I refer to page 639 and the line item “Heritage Grants Program”. Can the minister provide some background on the program and how this investment has helped everyday Western Australians conserve their heritage-listed homes?

Mr D.A. TEMPLEMAN: I thank the member. I will be very brief. This is a very successful program that is essentially a leverage program and \$1.2 million is made available annually to eligible applicants. Applicants can apply for a heritage grant as long as they meet the criteria, with the expectation that they will match any successful appropriation from that program. By and large, a lot of people who access these grants spend over and above what would be expected of a dollar-for-dollar or matching contribution. In fact, many of them spend four or five times more. The grant program allows people with a heritage asset to improve it and maintain it. That ultimately means that they, as custodians of the asset, help to maintain and preserve our heritage assets throughout the state. The grants are awarded to both regional and metropolitan applicants and it is a very successful grant program.

Mr A. KRSTICEVIC: I refer to note 2 at the bottom of page 600 regarding the heritage advisory service subsidy program. I see that it has been cut. I understand that it was to provide assistance to local governments. Is this just cost shifting onto the local government sector? Why is the funding being cut? How much was previously allocated?

Mr D.A. TEMPLEMAN: I will ask Mr Gammie to make a brief comment on that line item.

Mr G. Gammie: I thank the member for the question. The heritage advisory service subsidy program provided up to \$120 000 per annum for participating local governments to engage a heritage consultant to assist them with various heritage projects they might have—for example, heritage inventories and providing advice to ratepayers. The take-up rate on that program was very low and, typically, the department was providing less than \$100 000 in financial support. A lot of local governments were engaging and paying for their own heritage advisers, so the efficiency and effectiveness of that program was diminishing. As a consequence of looking for savings, it was discontinued.

Mr A. KRSTICEVIC: Was the cutting of that fund discussed with the local government sector, the Western Australian Local Government Association or Local Government Professionals under the partnership agreement?

Mr D.A. TEMPLEMAN: In answer to that question, this is a program that was previously offered, as the officer has highlighted. The take-up was declining and local governments were voting with their feet in terms of where they thought they could best source advice. It is not a significant amount of money in terms of availability and it

was not something that would normally be part of any proposal for discussion; it is a budgetary issue. As I said, the member's government left us in the circumstances it left us in with regard to the economy, and there have been some important decisions made for savings that needed to be made.

Mr A. KRSTICEVIC: With regard to the Coogee Hotel and the revolving fund, will 100 per cent of the profits be reinvested back into the revolving fund, and how much is that?

Mr D.A. TEMPLEMAN: The revolving fund is a very successful fund that again was funded by the government in this budget. A formula process is followed with regard to the disbursement of the profits made from a project. That is done as per the fund's establishment. The Coogee Hotel and post office and the warders' cottages in Fremantle are probably the most recent examples. The revolving fund has seen these two projects return net proceeds of \$6.7 million after expenditure and after repayment of \$2 million to the state government. We will continue to focus on making sure that the revolving fund delivers quality outcomes to government and the heritage buildings upon which it is focused.

Mr S.A. MILLMAN: My question relates to the heritage grants program and the heritage revolving fund. The heritage grants program was used for the Albany Bell Castle on Guildford Road in the electorate of Mount Lawley. Is the heritage revolving fund more for government assets, and how will it be used by the government?

Mr D.A. TEMPLEMAN: It was established to revitalise vacant or unutilised state and local government-owned heritage properties. That is the focus.

The appropriation was recommended.

[5.00 pm]

Division 44: Heritage Council of Western Australia, \$1 390 000 —

The appropriation was recommended.

Division 45: National Trust of Australia (WA), \$3 581 000 —

The appropriation was recommended.

Division 16: Primary Industries and Regional Development — Services 6 and 7, Agriculture and Food, \$147 913 000 —

Ms M.M. Quirk, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Agriculture and Food.

Mr R. Addis, Director General.

Ms H. Brayford, Deputy Director General, Sustainability and Biosecurity.

Mr N.J. Grazia, Acting Deputy Director General, Industry and Economic Development.

Ms M. Taylor, Chief Financial Officer.

Dr W. Fletcher, Executive Director, Fisheries and Agriculture Resource Management.

Mr B. Mezzatesta, Executive Director, Operations and Compliance.

Mr J.K. Ruprecht, Acting Executive Director, Business Development.

Dr M.J. Carbon, Acting Executive Director, Biosecurity.

Dr M.W. Sweetingham, Managing Director.

Ms M. Murphy, Acting Managing Director, Business Performance.

Mr C. Thurley, Principal Policy Adviser.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

The CHAIR: 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. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

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, 1 June 2018. 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 through the online questions system.

Members, we will be dealing with divisions 16 and 19 and the Western Australian Meat Authority. I give the call to the member for Geraldton.

Mr I.C. BLAYNEY: I refer to page 201 of budget paper No 2, volume 1, and the third line item “Agricultural Research Grant Allocations”. Looking across that line item, there is \$17 million for this year’s budget, \$17 million again in 2019–20, it goes down to \$4.7 million in 2020–21 and then back up to \$16 million in 2021–22. Can the minister explain the drop to \$4.7 million in 2020–21?

Mr D.A. TEMPLEMAN: I thank the member for Geraldton. I will ask Mr Addis to ask the relevant officer to explain that difference in the allocation.

Mr R. Addis: I will ask the chief finance officer, Mandy Taylor, to provide an answer.

Ms M. Taylor: The allocations provided in the grants and subsidies table relate to various grants that we get, particularly through our external funds projects. It also includes any grants that we might pay out to third party providers as well. I do not have a specific list of what they are, but I could provide that as supplementary information.

Mr I.C. BLAYNEY: Is it right that that is not government money being expended, but external money coming in?

Ms M. Taylor: The majority of it is external funds that are coming in and being paid out.

Mr S.A. MILLMAN: In terms of grains research, I refer to page 189 of budget paper No 2 and significant issues impacting the budget. An important part of the diversification of the Western Australian economy is invested in grains research and development. Can the minister please outline the government’s investment in this research and development and how this is allocated for in the budget this year?

Mr D.A. TEMPLEMAN: Thank you, member, for your interest in the grains research development capacity of the Western Australian economy. Additional funding of \$10 million has been allocated in both 2020–21 and 2021–22 for ongoing delivery of grains research and development to enable negotiation of a long-term matching co-investment arrangement with the Grains Research and Development Corporation. Current funding ends in 2019–20. If the funding is not continued, it will adversely impact the effectiveness of WA grain growers’ ability to compete with other market participants. A reduction in market share will affect income levels, leading to declining job opportunities in the regions. As the member highlighted, this is an important element to ensure that we continue to build capacity going forward.

[5.10 pm]

Mr S.A. MILLMAN: Further to that, what sort of matched funding is provided by the federal government to complement the investment that the Western Australian government is making in this grains research, and is Western Australia getting its fair share?

Mr D.A. TEMPLEMAN: I am happy for Mr Addis to respond to that. It is a very good question.

Mr R. Addis: Historically, the research and development corporation, which is the national entity responsible for distributing grower levies plus commonwealth-matched funding to research and development, has contributed in a matching way—not matching dollar for dollar, but leveraged with WA’s investment. That continues to be the case. We would always like to see more. Part of this year’s budget is a commitment of, I think, \$24 million in additional grains research and development-focused funding to ensure that we are in a strong negotiating position to get a long-term co-investment package with the Grains Research and Development Corporation. Obviously grains is far and away our most important single product sector. I must say how important grains research and development is in making sure that we are able to stay in front of our competitors in that important export sector. We are well advanced with discussions and in developing that program with GRDC. We hope we are in a position to announce that jointly with them in coming months.

Mr R.S. LOVE: I refer to page 190 in budget paper No 2. There are a range of dot points. Counting down from the start of the dot points on page 189, the eighth dot point refers to regenerative agriculture. I am wondering whether the persons who have been assigned to work in regenerative agriculture are already employed by the department. If they have recognised scientific qualifications, what is the scientific qualification to work in regenerative agriculture?

Mr D.A. TEMPLEMAN: I am happy to make some preliminary comment and then perhaps some additional information can be added. Obviously, the farming community considers soil health, soil quality and land condition to be a major priority for sustainable economic development in WA. Heavy soil holds water and nutrients that are readily available for plant roots, and suppresses pests and weeds. It also sequesters carbon from the atmosphere and cleans the water that flows through into rivers, lakes and aquifers. Regenerative agriculture is a farming system that uses a variety of tools that, in the right location, can assist in repairing degraded or unproductive land and it can build resilient soils and healthy landscapes by focusing on improving soil micro biodiversity. It requires a transformational change from conventional agriculture. This is something I was reading up on recently because

I had never heard of the term before. But certainly it is a transformational change, and reflects that. I understand that the approach has been described as holistic, aimed at building the organic carbon content of the soil, increasing and improving soil, biodiversity and resilience. There has been a review. In early 2018, the Minister for Agriculture and Food established a soils ministerial advisory committee to advise on new and emerging systems supporting soil health improvement in WA, which I understand relates also to this particular method. I will ask the director general if he wishes to make any additional comment to what I have provided.

Mr R.S. LOVE: Before he does, I remind the minister that I specifically wanted to know whether persons involved in this program will have appropriate scientific qualifications and what level of expertise they will have in such a science.

Mr D.A. TEMPLEMAN: I will get the director general to respond.

Mr R. Addis: I make the point at the outset that soil health is a key part of the productivity of our ag sector. Farmers are the best stewards of that, and I think increasingly in the last decades have taken a strong proactive role. Regenerative agriculture is a form of land management and soil management. There are some ideas that can contribute to that work. Similarly, the soil council that the minister has reinitiated this year under the relevant act is a part of that. The work that we do with the soils health alliance at the University of Western Australia is again part of that broad approach the department takes, working with farmers and industry to make sure that, long-term, soil is maintained and improved. We have a raft of good quality, very experienced soil scientists and other scientists who contribute to this sort of work. I think the answer is yes, the Department of Primary Industries and Regional Development staff who are involved in this broad area of soil health and sustainability have exceptionally good experience and scientific skills.

Mr R.S. LOVE: Can the minister explain to me what is meant by “explore the science and best practice in regenerative agriculture”? If it is an accepted practice, how is the department exploring the science? What sorts of outcomes would be expected from participation in this program and how are they measured?

Mr D.A. TEMPLEMAN: I am happy for Mr Addis to respond.

Mr R. Addis: I am not quite sure in what way it is a program in and of itself.

Mr R.S. LOVE: It is a dot point in the budget, so I am asking about it.

Mr R. Addis: It is part of our broader approach to soil health.

Mr R.S. LOVE: It is in a dot point, so presumably it is significant. With respect, I did not write the budget. The budget papers have outlined this as a significant issue. I am asking about what the department has outlined as a significant issue. I am being asked why it is important—it is important because it has been put in the budget papers.

Mr R. Addis: I am not disagreeing that it is important. It is important as part of a broader approach by the department to soil health.

Mr R.S. LOVE: So how is the department going to structure its participation in all of this?

The CHAIR: Is that a further question or have we entered into a debate?

Mr R.S. LOVE: It is the same question; it has not been answered. I want to know how he is going to structure a program to deal with regenerative agriculture, what will be the expected outcomes and how they will be measured.

Mr R. Addis: We have a range of scientists working on soil science in a broad sense, which includes the ideas and practices that are going out of what is known in this context as regenerative agriculture. Dr Mark Sweetingham might have something to add to that.

Dr M.W. Sweetingham: I think it is best answered by the fact we have had a long-term investment in soil science. We have capacity in soil microbiology, agronomists and crop nutritionists who look at how the crop grows in response to plant health and also, obviously, people in animal husbandry. The regenerative agriculture movement has its origins in the natural resource management world. We are looking at trying to marry some of the holistic principles at landscape level management of the health and wellbeing of the soil and the landscape with what has been traditionally the strength of the department in a very productivity-oriented part of delivering boosted productivity of our agricultural systems. We do not see that as a conflict. We have the science capability to look at and to monitor varying trends of animal and plant growth in a range of farming systems. We probably will be looking at establishing some long-term trials on some of our research stations that look at different methods of maintaining soil health over a long period. This might include organic amendments as opposed to more conventional and current methodologies of boosting productivity over the life of a long-term crop rotation.

[5.20 pm]

Mr I.C. BLAYNEY: I refer to page 192 of budget paper No 2, volume 1, and the sixth line item of the service summary, “Agricultural and Fisheries Biosecurity and Integrity”. The budget estimate for 2018–19 is \$78 million. How is this split between agriculture and fisheries? That figure is to be reduced to \$49.6 million by 2021–22, so how and where will it be cut to get that figure?

Mr D.A. TEMPLEMAN: I thank the member for his question. He is referring to the sixth line item, “Agricultural and Fisheries Biosecurity and Integrity”. He is querying the distribution of that funding between agriculture and fisheries and he is also asking why there is a decline from \$78.004 million to \$49.636 million in 2021–22. Is that correct?

Mr I.C. BLAYNEY: And how will that be achieved?

Mr R. Addis: This is the first year that we have done a truly integrated budget for the new department, which brings together, as the member knows, fisheries, agriculture and food, and regional development, and it is the first year that we have split our service summary across those seven service categories. Obviously, the former agency had quite a different format and regime. The first year is reflective of our overall total cost of services across the seven and has been done in what I would describe as a reasonably scientific way. The out years, which are only estimates and very much subject to the work we have in front of us in restructuring the new department and getting the balance right across our services, are essentially extrapolations of the first year. The decline is spread across the seven service categories. The bulk of the decline over the out years relates to the very large component of our overall total cost of services, which is represented by one-off funded projects over and above normal core operating business. In particular they are royalties for regions-funded projects, which by their nature are time limited with a start and finish date. By the end of the out years period, a large quantity of those projects will have rolled out, and the same applies for a number of other externally funded projects that are time limited and so are not reflected in the backend years of this budget. Regarding the answer to the question of how we spread funding reductions across the different activities that we do, to be specific, in the first year, the numbers are a good reflection of the real balance, and the out years, as I said at the start of my answer, are only estimates. They will change and the spread will change as a result of the restructure work and planning we have in front of us.

Mr I.C. BLAYNEY: I am sorry if it was not clear enough, but the first question I asked was: what is the allocation in biosecurity between agriculture and fisheries? I would not have thought that biosecurity in agriculture really had a hell of a lot in common with biosecurity for fisheries.

Mr R. Addis: Are you saying it has not?

Mr I.C. BLAYNEY: I would not have thought so. If there were two separate budgets before and they have just been lumped together, I am curious to know how much of the figure is allocated to agriculture and how much to fisheries.

Mr R. Addis: The member is correct that the majority is for agriculture. As far as I am aware, we have not split them, because we are intending to run biosecurity in a fairly integrated way so we get the benefits of respective skills out of both fisheries and aquaculture, which is an approach we have taken across the board when it makes practical sense. The bulk of the effort is absolutely in agriculture, as the member is pointing to. I do not think we have specific numbers that I can provide today on that.

Mr I.C. BLAYNEY: Is the director general saying that he does not know how much of that budget will be split between agriculture and fisheries?

Mr R. Addis: I am saying I do not have the figures today and as far as I am aware we have not quantified those things. The level of effort that has been brought into the new department from biosecurity functions of the former Departments of Fisheries and Agriculture and Food has largely stayed intact. There has not been substantial change, and as the member is probably aware, particularly in the agriculture space, the biosecurity function is dealing with a very high level of pressure at the moment.

Dr D.J. HONEY: I have a question about that item. Members all know the custom and practice here much more than I do, but it strikes me that almost every line item in the budget, if we look in the forward estimates, drops off dramatically on the expenditure side over time. That surely does not reflect —

The CHAIR: Member, if you are still referring to —

Dr D.J. HONEY: I am referring to budget paper No 2, volume 1, page 192 and the service summary table. I apologise, Madam Chair. The listed expenditure drops off very dramatically, but it does not present a very realistic picture of expenditure in the forward estimates. In fact, it would look to substantially underestimate the likely spend going forward, and surely there is an intention here to reflect what we realistically think we are likely to spend, even though we might not have the detail.

The CHAIR: Member, is there a question in all of that?

Dr D.J. HONEY: Why is it dropping off so dramatically? It does not look realistic at all, although I appreciate the point around the government gaining some efficiencies. I know the minister does not expect to answer for the

rest the document, but I am not sure it would be prudent. If I was budgeting forward, I would not drop it off so dramatically. Just saying that we will only leave things we know about does not sound like a prudent practice to get a realistic estimate of forward expenditure and liabilities for the government.

The CHAIR: I am not sure that that requires a response, minister, but do your best.

Mr D.A. TEMPLEMAN: I think it is a comment on the presentation of the budget papers and the intent.

Dr D.J. HONEY: The question is: does the minister realistically think that reflects an estimate of forward expenditure or not?

Mr D.A. TEMPLEMAN: I am happy to let Mr Addis respond to that part of the member's question.

Mr R. Addis: As I tried to articulate in my answer to the previous question, a large part of the overall total cost of services is in its nature funded short term by funding such as RforR and external funding and is over and above what we would call the normal continuing scope.

The CHAIR: Mr Addis, for the purposes of Hansard, if you are using acronyms, could you at least say what they are.

Mr R. Addis: For the record I am referring to royalties for regions.

I have lost my train of thought now! Those short term-funded projects are over and above the continuing, what we would call, core business scope and level of service and activity for the department at an operating level.

Dr D.J. HONEY: Sure, I heard that answer before.

I might as well talk about a topical issue. I refer to the first dot point at the top of page 190 of the *Budget Statements*, which states —

Western Australia's primary industries are heavily export focused ...

What is the current value of live sheep exports to Western Australia each year? The corollary of that is: what would be the impact if we were to ban those exports? Does the minister have any estimate of that at the moment?

The CHAIR: Sorry, member, which dot point?

Dr D.J. HONEY: It is the first dot point at the top of page 190 referring to the industries that are heavily export focused, and obviously sheep exports are a significant part of that.

Mr D.A. TEMPLEMAN: In answer to the first part of the member's question, live sheep export was valued at around \$ 203 million in 2016–17.

[5.30 pm]

Dr D.J. HONEY: I get that. If the minister could, do we have an estimate for 2017–18 as well, or is it about the same?

Mr D.A. TEMPLEMAN: I refer to Mr Addis.

Mr R. Addis: We are obviously only part way through the year, but we expect it to be about a similar value.

The CHAIR: Members, I am mindful of the time. We have another division to get through, and also the Western Australian Meat Industry Authority. Members might be mindful of that.

Mr I.C. BLAYNEY: I have a question about saleyards. Is that within the Department of Agriculture and Food budget or is that in the Meat Industry Authority?

Mr D.A. TEMPLEMAN: That would be under the WA Meat Industry Authority.

Mr R.S. LOVE: I have a further question on the live export trade. Given the current situation, in which there is talk of shutting the industry down or at least suspending various parts of it, and the minister has made those discussions known, has the department any idea of the net effect of the cessation of that industry on the net returns to agriculture? This is slightly different from simply asking the value of it; what would be the difference in value in the sheepmeat industry without the livestock export industry flourishing? Has work been done on that? While the department is making decisions on animal welfare, is it cognisant of the economic impacts of those decisions—what they might be, and whether they have been quantified?

Mr D.A. TEMPLEMAN: My understanding is that the process of monitoring and assessing the industry is underway and ongoing. Mr Addis may like to make an additional comment.

Mr R. Addis: I would clarify that the objective is certainly not to shut the industry down. In fact, the minister has made clear that she wants to ensure that the trade can be sustainable. The objective is to ensure that the Animal Welfare Act in Western Australia is applied by her and by the department, and that we avoid unnecessary cruelty to animals. We are obviously cognisant of the impact of any changes in the way that is applied to industry. There has been a series of meetings with processors and producers, and we will be having further discussions with groups this week. There is ongoing work to better understand some of implications and options in the event that the pattern of trade changes over time. We do not yet have the results of that to hand.

Mr R.S. LOVE: On the basis of the minister's preferred objective of ceasing the trade in certain months of the year, which has been stated, has any work been done on the effect of that, and where those animals could possibly go?

Mr R. Addis: As I said in my response, work is on foot at the moment. It is not complete, and therefore I do not have the results of that to hand.

Mr S.A. MILLMAN: Further to that—perhaps this question can be more properly directed to Mr Addis—in terms of the recent political developments with a federal Liberal backbencher introducing her private member's bill to ban the live sheep export trade, in the analysis that the director general has just alluded to, will that constellation of circumstances also be taken into account, if the federal government moves first?

Mr D.A. TEMPLEMAN: In answer to that question, and Mr Addis may be able to add to this, I want to highlight the Premier's comments to the Parliament last week during question time that highlighted the approach to this issue by Western Australia. Firstly, the Premier, the minister and the government want to see vast improvements to what has occurred, and want to work actively with the federal government to initiate measures to deliver higher quality animal welfare outcomes in the live sheep export trade. Only yesterday, the former minister made some comment about the move for a private member's bill. That will take some time in the process of the Parliament; progressing a private member's bill through any Parliament can be a lengthy process even if it is granted time by the government of the day. The minister is working very diligently to deliver genuine positive animal welfare outcomes, and needs the federal government to come to the party. It seems to me that this issue has a sense of continually moving, because pressure points are opening up everywhere, including on the federal government's own side. I understand that last week the minister made a plea to the federal minister, Mr Littleproud, about some of the measures that we believe will dramatically improve animal welfare in the live sheep export trade, but, unfortunately, they did not gain support. I think the minister is also very mindful of the economic issues associated with our meat farmers, and is very much aware of the issues associated with their livelihoods. However, I underline the comments by the Premier that there is no doubt that the industry in general has a very important responsibility to address issues of animal welfare. The general public is becoming increasingly concerned about what it is seeing on the television and through investigative journalism. I hope that there will be ongoing negotiation and discussion between the federal and state governments about this issue, and that it is resolved to deliver quality animal welfare outcomes while also being mindful of the importance of the industry to our meat farmers. Mr Addis may want to make an additional comment.

Mr R. Addis: I think the minister has covered the issue very well.

The CHAIR: Member for Moore, do you have a further question that issue?

Mr R.S. LOVE: I refer to the line item for the voluntary targeted separation scheme on page 189 —

The CHAIR: Sorry, that is a new one; I was asking for further questions. The member for Cottesloe, with a further question.

Dr D.J. HONEY: Is our Department of Agriculture and Food doing any work directly with the sheep exporters on the animal husbandry issue? This is following up on the dot point on page 190 of budget paper No 2.

Mr R. Addis: There has been a series of meetings with importers, exporting agents, processors and producers, and this week there will be a series of more practical sessions with industry stakeholders to try to get to the nitty-gritty of the issues and options we need to start acting on. The department's livestock directorate is working closely on that with growers and industry.

[5.40 pm]

Mr R.S. LOVE: I refer to the \$8.3 million for the line item "Voluntary Targeted Separation Scheme" under the "Spending Changes" table on page 189 of budget paper No 2. How many of those positions that have been separated have come from service areas 6 and 7?

Mr D.A. TEMPLEMAN: I will make some preliminary comments. The voluntary targeted separation scheme is a commitment by government to address budget repair. It is a voluntary scheme. The budget brought down by the Treasurer highlights a target of some 3 000 over the scheme's time line. Currently, over 2 000 personnel have been approved under the voluntary targeted separation scheme. I need to highlight that it is a voluntary process. The target of 3 000 remains, but the time within which that target is expected to be met has been extended. The scheme applies across all government agencies. Mr Addis may want to make further comment.

Mr R. Addis: The impact of the voluntary targeted separation scheme on our business in terms of the former departments and functions and regional areas versus the metropolitan area has been, by and large, pretty evenly spread across all those bases. There have not been any substantial hotspots or imbalances in the impact. It has been spread remarkably evenly.

The CHAIR: Members, we are still on division 16, services 6 and 7, and we still have division 19 and the Western Australian Meat Industry Authority.

Mr R.S. LOVE: I specifically want to get to how this is affecting the functionality of the areas of agriculture and fisheries within the now expanded department. Is the minister confident that, of the positions that have been voluntarily separated, the losses in those areas of expertise have not negatively affected the functions of the department?

Mr R. Addis: We could always do with more staff, but when the resources that are available mean that we have to do with less, that is what we have to do. As I have said, we have managed this to make sure that, as much as possible, the spread is even. We are in the middle of redesigning the new organisation in a more integrated function. We are halfway through that restructure process and we expect in the next four or five months to be at the end of that. Through that redesign process, we will take the opportunity to address any remaining hotspots, but there really are none that are particularly glaring. We will take the opportunity to make sure that, by the end of that restructure, we have addressed any of those issues.

The CHAIR: I reiterate that time is moving on.

Mr R.S. LOVE: When the voluntary targeted separation scheme has been applied to a department or an area such as agriculture and fisheries, are there any structured parameters around the persons who are accepted to ensure that there is no short-term loss of expertise within those various areas?

Mr D.A. TEMPLEMAN: I will answer that. During the previous government's term in office, it was responsible for the decimation of the Department of Agriculture and Food, and I did not hear the member make any comments about that when it was done as a direct cut. This is a voluntary severance scheme; therefore, the scheme is an offer for people to voluntarily opt into the scheme. It is the responsibility of the department to respond to the continuation of service delivery. As the director general has highlighted, that process is underway. As the demands of that department continue to surface, it is the responsibility of the department and, ultimately, the government, to respond to the expertise that is required. I remind the member of what his government oversaw in the decimation of the Department of Agriculture and Food. Of course, during most of that time, members of the National Party were the ministers overseeing that portfolio area.

Mr I.C. BLAYNEY: Madam Chair, I do not think we have any questions about the Rural Business Development Corporation. I have one question on the Western Australian Meat Industry Authority and the member for Moore has a question about the Western Australian Meat Industry Authority. We are agreeable to putting divisions 16 and 19. If we can have one final question on this division, we can then move to the Western Australian Meat Industry Authority.

Mr R.S. LOVE: The last dot point on page 190 of the budget papers refers to the review of the Animal Welfare Act, the Aquatic Resources Management Act and the Biosecurity and Agriculture Management Act. How is the department positioned to resource this review, given that the Department of Primary Industries and Regional Development's staff level is forecast to drop by 100 FTEs in that period?

Mr D.A. TEMPLEMAN: The final dot point on page 190 highlights some legislative reform processes that are currently underway. Obviously, the Aquatic Resources Management Act, the Animal Welfare Act and the Biosecurity and Agriculture Management Act are seen as priorities and appropriate resources will be allocated to appropriately and adequately review those acts. The department has a responsibility to ensure that that review process is resourced to make sure that those acts are reviewed appropriately and meet community expectations and, indeed, that there is direct input by key stakeholders.

Mr R.S. LOVE: So the minister would hold that the time line is appropriate and he does not think that it is unachievable?

Mr D.A. TEMPLEMAN: The regulatory legislative reform of these acts is seen as a priority and the department will be given appropriate resources to achieve those reviews.

The appropriation was recommended.

Division 19: Rural Business Development Corporation, \$235 000 —

The appropriation was recommended.

[5.50 pm]

Western Australian Meat Industry Authority —

Ms M.M. Quirk, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Agriculture and Food.

Mr A. Williams, Chief Executive Officer.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the

off-budget authority. Off-budget authority officers are recognised as ministerial advisers. 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 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, 1 June 2018. 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 through the online questions system.

I give the call to the member for Geraldton.

Mr I.C. BLAYNEY: I refer to the Western Australian Meat Industry Authority in budget paper No 2, volume 1, page 220 and new works for saleyards in the 2021–22 program. What is the status of the Boyanup saleyards? What was the original funding allocation for the relocation of Boyanup saleyards? Is this funding still committed to the relocation project? Given that the “Replacement of Boyanup Saleyards Final Report” by Deloitte Access Economics was submitted to the Minister for Agriculture and Food in October 2017, what is the time line for the government's obligation to relocate the Boyanup saleyards by 2022?

Mr D.A. TEMPLEMAN: I thank the member for the question. I will break the question into two key parts: one is the current status of the saleyards, and the other part related to the time line and whether the government is continuing with that aspiration.

Mr I.C. BLAYNEY: Can I perhaps clarify that, Madam Chair?

The CHAIR: Yes.

Mr I.C. BLAYNEY: The industry is saying that there should still be funds left over from the sale of the Midland saleyards to go towards the Boyanup saleyards.

Mr D.A. TEMPLEMAN: I will ask Mr Williams, the CEO of the Western Australian Meat Industry Authority, to respond to the member's question.

Mr A. Williams: I thank the minister. There are no funds left over from the original allocation, to the best of our knowledge. That goes back quite a number of years. That was the first part of the question. What was the second part of the question?

Mr D.A. TEMPLEMAN: What is the current status of the Boyanup saleyards?

Mr I.C. BLAYNEY: I will clarify that, if the minister would like.

Mr D.A. TEMPLEMAN: Yes.

Mr I.C. BLAYNEY: I understand that the Shire of Capel wants the saleyards out of town by a certain date and the Minister for Agriculture and Food has said that she thinks it could perhaps be extended. Is the shire going to hold its line and say the saleyards have to be out by 2022, or is an extension possible?

Mr A. Williams: I certainly cannot talk for the shire. However, I can say that the minister held an industry round table on 7 March. At that round table, it was clarified amongst industry representatives and other key stakeholders that there are definitely benefits in the construction of a modern saleyard in the south west to replace those at Boyanup. Any development of a new facility will rely primarily on private sector funding and there is interest from the private sector if the right package can be developed. There is some interest amongst industry for a package that involves the Muchea Livestock Centre. A process is currently under consideration to seek expressions of interest for the construction of a saleyard by the private sector in the south west.

Mr I.C. BLAYNEY: Minister, I think the process just referred to was an expression of interest to the private sector. Can we have a bit of clarification about that: Has it been advertised? What is the time line? Where would the replacement for the Boyanup saleyards be located, because I do not think that has been decided yet either?

Mr D.A. TEMPLEMAN: As Mr Williams highlighted, the issues around the Boyanup saleyards are ongoing. I suggest that if the member puts a detailed question on notice, he would get a greater response because ultimately, some of these questions relate to government policy. The Minister for Agriculture and Food has carriage of that. Intimate details of who has expressed an interest or the project's scope would need to be answered by the minister. I suggest that the member might frame a question on notice around those parameters to get the information he is seeking. I have just had an indication that Mr Williams may be able to shed some light on that.

Mr A. Williams: Hopefully, I can add a little bit to that. The expression-of-interest process that is currently being developed is not a standard procurement process because the government is not procuring a saleyard. We are attempting to develop a little bit of a hybrid process with all arms of government, so that takes a little bit of time. We are hopeful that it will be done very shortly and that we will be going out to the private sector in the not-too-distant future. I cannot give the member a time frame at this point because a number of government agencies are involved.

Mr I.C. BLAYNEY: Since the minister is also the Minister for Local Government, does the Shire of Capel have the power to order the saleyards out of there or would the state government have the power to keep them there?

The CHAIR: Member, I am not sure that that relates to the line item.

Mr D.A. TEMPLEMAN: I do not think that I am in a position to answer that question as Minister for Local Government, but I am happy for the member to put a question on notice. I now have an indication that Andrew Williams, the CEO, may be able to shed some light on this!

The CHAIR: With the indulgence of Mr Williams.

Mr A. Williams: My understanding is that the land in question at Boyanup is a crown grant in trust to the Shire of Capel for the purposes of a saleyard. That crown grant in trust is predicated on having a saleyard on the site. The Shire of Capel has indicated, publicly at least, that it wishes to remove the saleyards by the end of 2022. However, certainly at the ministerial round table that happened on 7 March, in discussions with the Shire of Capel and industry, some indication was given that there may be some wriggle room in that.

Mr R.S. LOVE: I am only asking this because we were told that this was the right place to ask questions about the proposed sale of the saleyards at Muchea. What communication has taken place with farmer groups, as opposed to processors and purveyors of saleyards, to ensure that they will be satisfied and farmers' requirements will be met at Muchea in the future if the proposed sale goes ahead? Has there been any recognition or understanding of the role that the industry played in developing the original Midland yards and their sale, which has now gone into that Muchea complex, and the fact that the government really holds that in trust for the industry?

The CHAIR: Minister, you have about a minute.

Mr D.A. TEMPLEMAN: I will defer to Mr Williams.

Mr A. Williams: In relation to consultation with industry and farmer groups, both the Pastoralists and Graziers Association and the Western Australian Farmers Federation were involved in the initial Deloitte consultation and they were both represented at the ministerial round table. There is an ongoing relationship and an ongoing open channel of communication between the Western Australian Meat Industry Authority and those two bodies, so there certainly would be ongoing consultation and they have been involved up to this point.

The CHAIR: Members, that completes the examination of the Western Australian Meat Industry Authority.

Meeting suspended from 5.59 to 7.00 pm

Division 33: Communities — Services 9 and 10, Seniors and Ageing; Volunteering, \$83 245 000 —

Ms M.M. Quirk, Chair.

Mr M.P. Murray, Minister for Seniors and Ageing; Volunteering.

Mr G. Searle, Director General.

Ms H. Nys, Assistant Director General, Policy and Service Design.

Mr B. Jolly, Assistant Director General, Commissioning and Sector Engagement.

Mr L. Carren, Executive Director, Business Services.

Mr S. Hollingworth, Executive Director, Housing and Homelessness.

Mr M. Richardson, Director, Finance and Business Support.

Ms E. Ramage, Chief of Staff, Minister for Seniors and Ageing.

[Witnesses introduced.]

The CHAIR: 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. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

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, 1 June 2018. 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 through the online questions system.

Are there any questions? I call the member for South Perth.

Mr J.E. McGRATH: I refer to the payments to individuals under the service summary on page 420 of the *Budget Statements*. I gather that this is the delivery of benefits and concessions administered by the department, including the Seniors Card. Can we read anything into the movement in the Seniors Card and the amount of money that has been budgeted in this area?

Mr M.P. MURRAY: I thank the member for the question on the Seniors Card.

Mr J.E. McGRATH: I do not have a Seniors Card.

Mr M.P. MURRAY: The Seniors Card is very highly regarded.

The CHAIR: Can I just interrupt. Member for South Perth, to be eligible, one has to work up to 20 hours a week, so that would disqualify you! Sorry, minister.

Mr J.E. McGRATH: It is interesting. This area is very important to a lot of Western Australians. What sorts of trends are we seeing in the number of people who are now accessing the Seniors Card?

Mr M.P. MURRAY: I have a note on how many there are, because I thought the opposition would ask this question. In 2017–18, 307 772 people received the cost-of-living rebate and the seniors rebate. It is a substantial amount. Of course, we know that there were some changes in the federal area, which impacted on us by lifting the age slightly. We have followed that lead. As we know, the Seniors Card itself is very, very important to many, many people, and especially some of the rebates that people get through it. In 2017–18, \$23 million in rebate payments were made to eligible Western Australian Seniors Card members. That is a substantial amount of money that is going back into the seniors area. For the 2017–18 financial year, registered WA Seniors Card members were paid the cost-of-living rebate at a rate of 86.85c, which is another help in the seniors area. The people who have probably contacted me the most are the self-funded retirees—more so than seniors. It is something the government is certainly looking at, especially those people who are marginal and who are just under the line for eligibility. A lot of work is to be done in that area. We can look at the amount of money being paid out, such as the rebate on council rates. That is much sought after by a lot of people—they are not what one would call wealthy; they are average citizens. They need that help. We have no intention of changing that. As we have seen, the federal government has again changed a few things in that area.

Mr M.J. FOLKARD: I refer to the item on payments to individuals on page 427 of the *Budget Statements*, which states —

Delivery of benefits and concessions administered by the Department, including the Seniors Card.

I note that there has been a larger uptake of the cost-of-living rebate by Seniors Card members than occurred in the previous financial year. What else is the McGowan government doing to support seniors?

Mr M.P. MURRAY: This follows on from the previous question. The McGowan government is committed to creating age-friendly communities in which seniors are respected for what they have done for our country in previous times. Some of us are getting very close to being seniors, or may be past it. Seniors should be treated with respect, and that is what this government is about.

Mr Z.R.F. KIRKUP: Hear, hear!

Mr M.P. MURRAY: Is the member for Dawesville one? I did not think he was old enough!

Honestly, today I have been out meeting with seniors groups. Since we have been in government, I have met with many of those groups. They are starting to feel wanted again, whereas previously that had dropped off a bit and seniors were not being respected. The government is doing many things. Western Australia is the only Australian jurisdiction to receive affiliated membership of the World Health Organization's global network for age-friendly cities and communities, which recognised WA as an international leader in the field of age-friendly communities. That says a lot for not only this government—I think there was some lead from the previous government as well. I have not been out there grandstanding, but people from around the world are coming to visit different areas in Western Australia. I have said before and I will say again that Melville is one of the leaders in looking after seniors. It is recognised for that worldwide. Speakers from that council go to other parts of the world and speak about what they do in that area. In saying that, some things really annoy me in the seniors area; that is, some of the departments do not quite pick up the ball in that area.

I will give a small example—members will get plenty of examples tonight—of an aged-care facility on one side of the road and shops on the other side. The department that managed the traffic lights—I will not name it—would not allow the lights to stay on for an extra two or three seconds to give seniors more time to get from one side of the road to the other. That is because the rules say that the lights have to stay on for that amount of time. Those sorts of things are appalling and should be dealt with individually. It is not a case of one size fits all. It is very important that we look at the needs of seniors in those situations. Work has been done by the City of Melville and those sorts of things were addressed. It was the first council to have gradual footpaths coming on and off the roads. Those sorts of things are very important around that area.

Since 2006, governments have provided over \$673 000 worth of age-friendly grants funding to 75 local governments. Over 80 per cent of Western Australians over the age of 60 live in a local government area that has received state funding for age-friendly grants. It is recognised. A lot more work probably needs to be done. More than 380 000 Seniors Card members enjoy state government concessions and exclusive discounts from over 800 businesses. It was very pleasing to hear recently that a new print run of a booklet showing what businesses and services offer discounts to seniors is coming out.

[7.10 pm]

Mr J.E. McGRATH: What about the TAB?

Mr M.P. MURRAY: I will send one to the member for South Perth. I do not think there are any discounts for the TAB but there will be discounts for a few other places that he might want to cash in on. One of the things that has annoyed me in recent times relating to seniors is when people ask me if I have my concession card with me. It is a bit annoying. Also, when I was on the train going to the football the other day, a young kid stood up for me. I felt very proud of him but not too proud of myself for looking that old. We have to look at those sorts of things to help people get those discounts and understand that they are available. If they do not know they are available, it is not really worth the effort of making them available. It is the government's job to get out there and promote things like that.

Earlier this year it was the thirtieth anniversary of the WA Seniors Card, which was introduced by a Labor government. It was introduced—this is very important information—by the then Premier, Peter Dowding. He launched the card on 19 April 1988 following strong support and advocacy for the concept from a former Minister for the Aged, Kay Hallahan, whom I am sure many members have seen around the place from time to time. The Seniors Card has been well received and it is still well received. Sometimes we have to tighten things up because of the way the budget is. I know that seniors are very quick to say, “Don't forget about us; we're still out there.”

We had a special presentation out at AQWA at Hillarys. There was a great turnout of seniors, who came out to recognise the discounts and rebates they get because they have a Seniors Card. A lady was sitting across from me and I asked who she was. She had turned 100 years of age and was still using the Seniors Card. Sometimes we think of people aged 100 slouching a bit in their chairs. She sprung up and shamed half the people in the room with her agility and spoke very fluently about today's efforts. She did not talk about the third race at Flemington but she was out there and really enjoying her day. We got her up to cut the cake. She said that the one thing she loves is chocolate cake. She got a slice of chocolate cake for her 100th birthday.

Several members interjected.

Mr M.P. MURRAY: This is very important. In July 2017, payments worth \$23 million were made to seniors by the Western Australian government. I think it is remarkable that that sort of money was allocated to them. People in some areas are still saying that they need that to survive. We are doing a lot of work out there and we will continue to do that. Other programs totalling around \$1 million will be rolled out this financial year.

Mr Z.R.F. KIRKUP: I refer the minister to page 416 of budget paper No 2 and the first dot point under “Significant Issues Impacting the Agency”. I note that the department oversees some 5 500 staff—in large part which the minister overlooks—across 151 current office locations. Now that the six previous entities have been merged, I am keen to know whether any savings have been made as a result of the machinery-of-government changes.

Mr M.P. MURRAY: Because I am not the facts and figures man down to the last detail, I will ask the director general to answer that financial issue.

Mr G. Searle: We are in the process of merging the departments. That comes with a range of challenges, some of which are straightforward and others are not. At last count, we had four financial systems, three human resources systems and three record management systems and a series of other issues that we needed to work our way through. The department has delivered the senior executive service cuts that were promised by the government. We will deliver all of the 350 staff savings that were our target. There are about 320 currently. It varies a bit as people either accept or do not accept their packages. We think there will be ongoing savings in the agency. More particularly, it is about how we then integrate the activities within the agency rather than run them as six separate agencies. In the financial year in question, we will see the first of the integrated modelling in the Kimberley, where we operate as one department and one counter. Savings will be delivered over the forward estimates.

Mr Z.R.F. KIRKUP: Noting that they are substantial machinery-of-government changes, has a survey been conducted of staff morale within the department? There is a lot of change, as we would expect from significant machinery-of-government changes. Does the minister have a feeling for how staff morale and culture might be at this time?

Mr M.P. MURRAY: When there is change, staff morale fluctuates on a daily basis. Some people love change and other people resist it. I have seen that in the mining industry and right across the board. Change is always with us. We cannot stand still. For some, it is an opportune time to change their lifestyles, and others move on. If we do not have good staff morale, we do not have a reasonable government or a good government, to say the least. We will work very hard with all those departments. To go into the detail, again, I refer to the director general.

The CHAIR: Mr Searle, before you answer that question, you can be mindful that we are dealing only with services 9 and 10 and not the more general question that has been asked.

Mr G. Searle: Thank you for that advice, Chair. The Public Sector Commission has conducted a staff survey and we are yet to see the results, so, yes, it is being monitored.

Mr Z.R.F. KIRKUP: The director general noted the different payroll systems and obviously enterprise bargaining agreements and HR systems that are in place across the agency. I am keen to understand what process would be undertaken to find the best suitable human resources management system and payroll system. Given that so many exist, what process will the department undertake to ensure that the most efficient and cost-beneficial studies are taken to identify which ones should be utilised and which ones will not be? I am keen to know how they would be merged or what would happen there. I am conscious, I suppose, of another Office of Shared Services-type arrangement with a large number of people who have to be looked after and a number of different areas, different enterprise bargaining agreements and stuff like that.

[7.20 pm]

Mr M.P. MURRAY: Certainly, I understand the question. One thing I will say is that members should not underestimate anyone in the public service and their ability to work through issues and come out with the best results. For the more finer detail, again, I will pass across.

Mr G. Searle: We are in the process at the moment of evaluating the actual need of the agency in each of those areas and going through a detailed evaluation of the existing system and determining the best match. We are trying to do it incrementally rather than in a big bang, to reduce the risk. We had four finance systems and I understand that we are now down to three. That process will be continuing. There are some big decisions a little way down the track. My guess, given there is not a lot of money for capital expenditure on new systems, is that we will try to pick best of breed of the existing product for the time being and work our way through that issue one system at a time.

Mr Z.R.F. KIRKUP: Given that the financial systems, for example, are being merged, does the agency have a deadline in mind as an acceptable final cut-off point? How many years does the minister think it should go on with such a fractured finance, human resources and payroll system? Does the minister have a preference for when it should be all tied up and finalised?

Mr M.P. MURRAY: Again, I will pass the question over to the director general. It is something that has to be internally worked through. There is no easy fix in these sorts of things. As we work through it, we will make sure that we have the best system.

Mr G. Searle: The reality is that all the systems work fine doing what they have to do. There is no real issue until we have to consolidate answers for the whole of the department and then there will be some additional work. My expectation is that we will have those issues resolved in a two-year time frame, but I will not rush it and get it wrong.

Mr P.J. RUNDLE: I refer to page 419, “Relationship to Government Goals”, and the line item about two-thirds of the way down the page, “Local community services and community building programs meet the identified needs of individuals and families.” What value does the minister place on community resource centres in the creation of strong communities?

Mr M.P. MURRAY: As a country member, I certainly understand the work that community resource centres do. But they will have to readjust their core business. It is certainly not my decision to say what they should be paid because they are not in my portfolio as such. But I understand what they do. I understand how hard they work and how much they do in some communities. I have concerns when they sometimes take on commercial work in competition with some local people who are trying to start businesses or who have existing businesses. That worries me immensely. Community resource centres have to be a bit more innovative and think about how they can get funding outside of government. It is not a government handout. We know that the figures have blown out considerably over the last five to 10 years and they continue to rise. It is not just a place to create jobs; they should be the creator. They should be the ones that charge people who utilise the area service fee. I know some of them do and they run a tight ship. I would never criticise that. But in some places that are not too far out of major city centres or country centres, it is time for them to rationalise and think about what they are doing.

The CHAIR: I remind you, member for Roe, that we are dealing with seniors, ageing and volunteering. Is there a further question?

Mr P.J. RUNDLE: This question relates to volunteering, Madam Chair. Is the minister aware that some 100 volunteers and some 400 paid staff —

The CHAIR: Where is the item number?

Mr P.J. RUNDLE: This is a further question.

The CHAIR: That item number does not deal with volunteers.

Mr P.J. RUNDLE: It is two-thirds of the way down in the “Desired Outcomes” column and relates to local community services and community building programs.

Mr J.N. CAREY: That is a bit of a long bow. Come on!

Mr Z.R.F. KIRKUP: It is a legitimate question.

Mr P.J. RUNDLE: I am trying to talk about volunteers and volunteer burnout.

The CHAIR: Maybe the member can find something in the budget to put it next to. That is the delivery of community services.

Mr P.J. RUNDLE: Can I just ask —

The CHAIR: The member can if there is an item number.

Mr P.J. RUNDLE: I will come back to that if you like, Madam Chair.

Mr J.E. McGRATH: Perhaps I can give the member for Roe a bit of a lead-in because I have a couple of questions about the same line item on page 419, “Local community services and community building programs meet the identified needs of individuals and families”. That was the same line item to which the member for Roe referred. What are some of the examples of community building programs and how are the needs of individuals and families identified, assessed and delivered? How does the program work? What does the government intend to deliver? How does the government identify the needs of individuals and families?

Mr M.P. MURRAY: There is quite a simple answer to that. I will defer very quickly across, but we have to look at what is put out there and the results we get from that. If the member is alluding to the question asked by the member for Roe, some of those results were not coming through in some of the other departments. I can say one thing—it is not funded from my area but comes under regional development, so I am limited in what I say. But to give members a couple of examples, I will hand over to the director general.

Mr G. Searle: The department is doing a range of things that will impact on communities more broadly. Volunteering is clearly an area in which this department has invested a range of money, about \$1.4 million in the current year for volunteer development services, International Volunteer Day and those sorts of things. We are also working very strongly on the community services that are developed within and delivered by the community. As I said, as of 1 July, the Kimberley will be going to a regional model that is relatively autonomous. It will aim at goals and have locality managers who make decisions within each locality within the Kimberley. There will be one in Derby, and one in Fitzroy Crossing, Halls Creek and Kununurra, the whole idea being that decisions will be made closer to the community, closer to the ground, and those things are important. In total we will probably spend nearly \$54 million through the community sector to provide services to Western Australians, again working with the community and volunteers to deliver outcomes for a range of people, including seniors.

Mr J.E. McGRATH: Given that the department will spend a lot of money, how will it identify the needs of people in the community that have to be met by a government department?

Mr M.P. MURRAY: I do not think that is a difficult question to answer. Good local members will be able to tell the minister what they need straight away. If members are not out and about, they will not find out. A lot of that comes through a member’s office, and whether the member is in opposition or government does not make any difference. They would find out what is needed in those areas and then a survey would be done to determine what is needed. As we just heard about the Kimberley area, a lot of work has been done over probably 50 years there. Members have to come forward and do something instead of doing surveys and running around the place. The detail on exactly how we get there is, again, up to the director general, but can I just say that if there is a need in some areas, it should be brought forward with either a letter to the minister or at least talking to the minister, as we do at times in the corridors—because if we do not, the people who are in need will miss out. I will pass the question over to the director general.

[7.30 pm]

Mr G. Searle: I thank the minister. There are a couple of ways that we do it. At an individual segment level, a range of advocacy groups talk to us regularly, and we engage them in policy discussion about what the priority is, where and why. At another level, we have just established district leadership groups that include the commonwealth and local governments, the old human services manager groups, a couple of non-government organisation representatives and, when appropriate, Aboriginal-controlled organisations, with a view to discussing local issues and challenges. Those groups have been relatively successful in already addressing a couple of issues. To date, those issues have not been in the seniors or volunteering space—they have been in the youth space—but we think it is a very useful tool to get local opinions about local problems.

Mr J.E. McGRATH: Given the information we have received, what is the basis of the reduced spending forecast in the forward estimates? Is the minister expecting to get on top of this need for community building programs?

Mr M.P. MURRAY: What line is that in the budget?

Mr J.E. McGRATH: There is a line in the budget I am now trying to find that indicates that the spending forecast in the forward estimates will be reduced in this area.

Mr M.P. MURRAY: The member still has not helped us to get to the detail.

The CHAIR: Is that a further question or a new question, member?

Mr J.E. McGRATH: I will have to get back to you with that.

Mr P.J. RUNDLE: Can I ask a further question to that?

The CHAIR: You are not on the list, member.

Mr P.J. RUNDLE: A further question to that.

The CHAIR: Okay, give it a go.

Mr P.J. RUNDLE: Given the —

The CHAIR: Item number please.

Mr P.J. RUNDLE: Sorry, further question to the member for South Perth.

The CHAIR: Yes, but he did not give an item number either.

Mr J.E. McGRATH: Yes, I did. Item 10, “Delivery of Community Services, Grants and Resources”, under “Relationship to Government Goals”.

The CHAIR: I can sympathise with you, members, because I am astonished there is not very much mention of seniors or volunteering, but I am not sure that some of these questions are within the minister’s portfolio.

Mr P.J. RUNDLE: Volunteering?

The CHAIR: Find the reference in the —

Mr M.J. FOLKARD: Stronger communities are safer communities.

The CHAIR: Thanks, member for Burns Beach; we will sort it out amongst ourselves. Item number, member for Roe.

Mr P.J. RUNDLE: Item 10.

The CHAIR: On what page?

Mr P.J. RUNDLE: On page 419. I have a further question.

The CHAIR: Is that under “Delivery of Community Services, Grants and Resources”?

Mr J.E. McGRATH: That is it.

Mr P.J. RUNDLE: Yes.

The CHAIR: Can you repeat the question for the minister.

Mr P.J. RUNDLE: Given the reported rise in volunteer burnout, how is the minister supporting volunteers throughout all his networks, whether it be sporting groups, community resources centres, community groups—whatever you like? How much funding is directed towards supporting and rewarding volunteers?

Mr M.P. MURRAY: The member really hit the right note in that the volunteering sector is one of the pleasures of the job. It is honestly a pleasure to go where people are putting back in and not taking out. In the main, they are there because they want to help. They are being mentors. People out there lead by example. I am not talking about seniors; I am talking right across the board. It is so pleasing to see Western Australians do that. I will share a couple of statistics on that. One of the first things I always say about volunteers is that in Western Australia, on an average yearly basis, volunteers contribute the equivalent of \$39 billion worth of work across the board. That is all volunteers, whether that be bushfire, sporting or whatever. That is remarkable and something that does not happen in other countries. Other countries have a lot of what they call volunteers, but they are corporate volunteers. Anyone who has been to Japan will see them marching down the street with their corporate flag—it might be Coca-Cola or some other company—and they will march, do a job and then go back. I am a little concerned about that because some of that is happening in Western Australia in which people become corporate volunteers, so that it is part of their job. That takes away the weekend volunteer who comes along and says, “I’m going to help out here”, instead of sitting back saying, “I’ve done two hours in my work time” and then not contribute. Around 80 per cent of Western Australians aged 15 years and over volunteer in some way every year.

I was out and about today thanking some volunteers in the central city, shaking hands—I will not say kissing ladies, but certainly shaking hands—saying, “Thank you for the work you have done.” Members might think that is small bickies, but they were so appreciative of a pat on the back and sometimes that is all they need out there. But we have to work very hard in giving support and working with those people from behind. Even this week we

have National Volunteer Week. I have two badges on; a lady gave one to me today because I gave her a pat on the head. That sort of thing is recognition to those volunteers. At times we suffer from volunteer burnout. Setting parameters for volunteers is very important. I have gone into different clubs and one of the things I learned from a club was that they give volunteers an A4 piece of paper with their job description on it. There are no arguments. If a person has gone there to wave the flag for little Johnny at the first game and are still there at the third, they want to go home to do something, but they feel obliged to stay. That club does not have those problems, so people then come back. It is about managing them all the way. The WA Volunteer Service Awards is on again this weekend. I have an award for people who have done more than 25 years of service, but I must tell another one of my stories about last year.

Mr Z.R.F. KIRKUP: Please do; please let the stories continue.

Mr M.P. MURRAY: The member has to realise the background into the whole theory of this.

Mr Z.R.F. KIRKUP: Tell us what you did for breakfast first on that day. Give us the whole time line.

Mr M.P. MURRAY: No, I have to tell members what happened. I went out there, because it was 25 years and over of service. I got two nasty letters back because one had done 27 years and he wanted the certificate to say 27 years. There are some pedantic people around, but we have to be very mindful of what volunteers do. Last year, I launched the “WA Volunteering Strategy”, which I am quite proud to say has moved forward. The strategy provides a framework for action as well as other issues across all levels of government, non-government organisations, the private sector and community to support volunteering. In October last year, I established the volunteering community reference group, which was an election promise. We amalgamated a lot of people and then asked for nominations to come through. One thing I do not want to see all the time when I go out to volunteering groups is the same faces. We need interaction across the board, so we need to have a variety of people.

Here is a statistic that the member for South Perth would love. On any Saturday at junior football—below professional football—40 000 volunteers come out to help football be played in the parks. It is remarkable that 40 000 people volunteer at football games on a Saturday. Imagine if those people pulled out and went on strike all at once. I hate to say it, but we would not have anything. We would not have umpires or goal umpires. I am sure that the member for South Perth would not put on his whites to run up and down the middle and bounce a ball. I think that figure is really remarkable.

[7.40 pm]

As I said, I am quite proud of the establishment of the volunteering community reference group. When it met recently, it talked about how to make it easier for volunteers to get a police clearance card. It is quite simple. Some people are not able to volunteer for different organisations because they do not have the finances to get a police clearance card. If they are in two or three different groups, they cannot just move the card across. We have to work through those sorts of things and make sure that people are recognised for what they are doing—not in a monetary sense. When people are nominated for an award, it really brings them to the fore. We are out there patting them on the back and giving assistance from all walks of government—from not only one area, but right across the board—to make sure that we encourage and keep our volunteers.

Mr J.E. McGRATH: I finally found that bit of information for Mr Searle. I refer to the line item “Delivery of Community Services, Grants and Resources” on page 420, which is what we have been discussing. This is an important program, but I notice that the funding decreases quite considerably from the estimated actual of \$56 million in 2017–18 to \$47.3 million in 2021–22. That is close to a \$7 million drop. Why is there that decrease in funding? Mr Searle spoke about the spending in the Kimberley, but the overall spend will decrease.

Mr M.P. MURRAY: I will defer this financial question across.

Mr G. Searle: Those grants are across a range of areas. To my knowledge, no specific reductions in those numbers relate to seniors or volunteering.

Mr J.E. McGRATH: That leaves us in a fairly confused state, if it is over a range of areas. There is still a reduction.

Mr M.P. MURRAY: I assume that a lot of the reduction will come from efficiencies and working smarter. With some of the changes that are in place, we do not necessarily need more money. I will again defer to the director general.

The CHAIR: Minister, the director general has given a response that suggests it is across a range of portfolios. If you are unable to limit your answer to your portfolios, perhaps we can put the question on notice or you can provide supplementary information.

Mr M.P. MURRAY: Thank you, Madam Chair.

Mr J.E. McGRATH: Will the director general answer the question?

The CHAIR: Member for South Perth, he has already answered the question. These figures deal with the whole Department of Communities and are not easily disaggregated.

Mr J.E. McGRATH: I will accept your ruling, Madam Chair, but it was a bit of a flaky response.

Mr Z.R.F. KIRKUP: I refer to page 440 and the table headed “Details of Controlled Grants and Subsidies”. I appreciate the Chair’s guidance here. If this does not relate to the minister’s specific area, I am sure that the Chair will pull me up very quickly. I am keen to understand the “Grandcarers Assistance (Respite) Program”, which seems to be cut going forward and perhaps merged into “Grandcarers Support Scheme”. If that relates to the portfolios we are dealing with, I would like to understand what that is and why that cut has occurred.

Mr M.P. MURRAY: Again, I think that area is not quite in my portfolio.

The CHAIR: Is that Minister McGurk’s portfolio?

Mr M.P. MURRAY: Yes.

Mrs L.M. O’MALLEY: I refer to the fourth dot point under “Significant Issues Impacting the Agency” on page 16, which refers to family and domestic violence initiatives. As part of the government’s response to family and domestic violence, what progress has been made on —

The CHAIR: Can I stop you there?

Mrs L.M. O’MALLEY: No, I am getting to it.

The CHAIR: All right.

Mrs L.M. O’MALLEY: — commitments made to raise awareness on the issue of elder abuse?

Mr M.P. MURRAY: Again, one of the things in our society that saddens me is the abuse of our seniors. Elder abuse has been misconstrued in some ways, because some see it as a black eye or a split lip. It is not that at all. It is right across the board and includes mental abuse and, as much as anything else, bullying. People do not have anywhere to turn. When we look at it from that point of view, how do we get people to come forward? Recently, we had a meeting with a group in town, including the police, because we are trying to educate people across the board to make sure that everyone is aware of the issue. The police are called out to someone’s house. There is an elderly person and another person sitting over there, but there is no complaint when the police get there, because, generally, it is about a family issue and people do not really like to discuss those sorts of issues. In elder abuse, people take advantage of an older person. We are working on that problem.

The state government has identified the Department of Communities as the lead agency with the overall responsibility for the coordination of the government’s response to elder abuse. Again, we are leading the way. I say that with all sincerity. We are leading the pack to combat elder abuse in Western Australia. Western Australia will co-chair the Attorneys-General elder abuse working group. To me, that is a feather in the cap of our department. I, and I am sure other members of Parliament, see many elder abuse issues, such as someone’s will being changed when the person concerned does not want it changed. An elderly lady is brought in with one side of the family and has her will changed. The following week after the will has been changed, a sister or brother comes in and says, “What was mum doing here?” Then there is a bunfight because mum has been pressured to change her will. There are also things such as financial theft, which can be very small. However, it is still abuse and can make the life of a pensioner very difficult. An elderly person may ask their relative to get them a loaf of bread and a couple of apples or whatever and the relative will take \$100 out of their purse and not give back any change. That hurts that pensioner for the rest of the week. It is a huge impost on the person concerned.

We have a working group that will develop a national plan to combat elder abuse in response to the Australian Law Reform Commission’s recommendation. We will be co-chairing this working group, and my office and the Department of Communities are taking a key role in the development of the national plan. I am saying the national plan—not Western Australian, but the national plan. This will certainly fulfil our election commitment to work in this area.

In August 2017, Communities made a submission to the Legislative Council Select Committee into Elder Abuse. It is about raising awareness and letting people know that they cannot do these things. It is also about people not having to ring the police department over some of these issues. We have some hotlines that people can ring to get advice about how to go about stopping it. It is an indictment on our society that it is happening, yet I am hearing about it happening more. So we need to put something in place to give people absolute confidence when they ring or call in. Rockingham runs a very good program; I was talking to those people again today. A lot of people have been coming in and saying, “What about it? How can we stop it? What can I do?” People do not see it as elder abuse, but it is. People are being pushed into a corner in their senior years.

Another thing that happens from time to time—it has been raised with us a couple of times—is when people say, “Mum, move in. You can have a granny flat down the back”, and all of a sudden it does not work and they go to move but mum’s granny flat that she has paid for is on the title deed of the people she is having the argument with. That becomes another problem. People see that as just an argument in the family, but to me that is abuse at its highest. People should not be caught up in those sorts of things. They think it is a good idea at the time; I am sure other members have heard similar stories. The South Australian Attorney-General’s Department has agreed to undertake research and evaluation surrounding the establishment of a national register for further consideration of the matter. We will watch what South Australia does, and if we can learn from it, why not?

We should also be looking at educating people such as general practitioners, lawyers, police and banking staff so that they can better identify these sorts of issues. This is dear to my heart. It certainly has not happened in my family, but I have seen it across the board. We should acknowledge the Northern Suburbs Community Legal Centre, which is dealing with this at the coalface. It is an important group that is leading the way on the issue for other areas. I would like to defer to the director general, and probably to Scott who has had a lot to do with it over time.

[7.50 pm]

The CHAIR: Minister, I have just noticed you have taken six minutes and 32 seconds. Is there anything additional that you need to add?

Mr M.P. MURRAY: I think we need another two or three minutes to hear from the people at the coalface.

Mr G. Searle: We currently fund three particular things in this area that we are looking at on an ongoing basis. The first is the Older People's Rights Service, which the minister referred to, and the Northern Suburbs Community Legal Centre, which we fund to around \$250 000 a year. The other is the elder abuse hotline, which is run by Advocare; again, that gets significant funding each year from the department. We have also made grant funding to Advocare to produce an elder abuse protocol with guidelines for actions, and to conduct workshops to inform stakeholders of the updated guidelines. The minister will also host an elder abuse awareness summit next month. So a range of things are actively happening and are funded by the agency now.

The CHAIR: If I can just intervene. The minister said that South Australia is doing a register. What is it a register of—powers of attorneys or enduring powers of attorneys or wills? What is it a register of?

Mr M.P. MURRAY: I am in discussions with the Attorney General on relevant amendments to the Guardianship and Administration Act 1990. That has been an internal discussion, and we are trying to work through that. I will again defer to Scott who has been doing a lot of work in that area.

Mr S. Hollingworth: Yes, a lot of work has been done at the national level on elder abuse, and we are co-chairs with the commonwealth in that work. The work is focused on a range of things. One that is really important is to agree on the definition of elder abuse, because there is not an agreed definition anywhere in Australia at the moment. That means that when services are being designed to meet those needs, we are not quite sure who we are talking about. That work is being undertaken at the moment. The other piece of important work is looking at the prevalence of elder abuse. Although there are assertions around how common and prevalent it is, there is actually very little evidence and statistical data available to help us understand the magnitude of the issue. Once again working with the commonwealth, we will be looking at commissioning research to undertake the identification of the spread of elder abuse.

In relation to enduring powers of attorney, that is an election commitment of the government and we are working with the commonwealth at the moment about the opportunity to introduce a register of enduring powers of attorney. That is very important because quite often when people are helping other people make decisions, they are not aware that an enduring power of attorney is in place, so sometimes the advice does not take sufficient account of other views.

We are also looking at opportunities to undertake education campaigns. Once again, these are Australia-wide initiatives to promote awareness of elder abuse—for example with doctors, GPs, lawyers and community workers—so that they can help identify when elder abuse is happening. The role of banks is also very important, because sometimes of course people turn up and draw money out of their relatives' accounts. We are working with the Australian Bankers' Association on opportunities banks might have to better identify elder abuse. Indeed, the protocol that we funded with APEA that the minister referred to is a resource intended to go out to the community sector and to those working with seniors more broadly to help them identify elder abuse and the proper steps they should take to perhaps alert authorities to that or to intervene in decision-making in some other way.

Mr J.E. McGRATH: I believe there is an upper house committee looking at elder abuse, which obviously the departmental people would be aware of.

The CHAIR: The minister gave an answer earlier, member for South Perth, that the department gave a submission to that committee.

Mr J.E. McGRATH: Okay.

Mr Z.R.F. KIRKUP: I may not have heard the director general correctly. Will a number of elder abuse forums be held across the community? Is that the case? Did I hear that correctly? It was something like that. Is some sort of public consultation on elder abuse being undertaken over the next few months? I think that is what the director general said. I just want to clarify the comment.

Mr M.P. MURRAY: We will certainly have a summit on those issues. I will defer to the director general, who has the details.

Mr G. Searle: In June this year the minister will host an elder abuse awareness summit. The intention is to bring together a range of community-based experts and academics to discuss the issue of elder abuse awareness, and I think that summit might be happening in this building.

Mr M.P. MURRAY: There was early talk of having it here to give it impetus and importance. But as the director general has said, we could not fit the amount of people in who are interested in this area. We want to make sure that it is a showcase, to say the least, and that the community starts to understand what we are talking about. We have to get away from the mindset of elder abuse being physical abuse; it is more than that. That is what we will be working on.

[8.00 pm]

Mr Z.R.F. KIRKUP: I am keen to know whether the minister would look at doing something like that in a regional context. For example, per capita, Mandurah, in my district, has the most seniors. In a regional setting, Kalgoorlie and Geraldton would be similar. Would the minister look at Albany? Does the minister or the department anticipate doing something similar in a regional context?

Mr M.P. MURRAY: I understand what the member is saying—I really do—but let us get past the first one before we make any promises. Yes, we understand the seniors' population in Mandurah is higher than the national average. Of course, people cannot come down from Kalgoorlie just for that sort of program or might not be able to get on the program. I would certainly be willing to look at it in the future.

Mr P.J. RUNDLE: I refer to the fifth line from the bottom of the table at the top of page 416, "Seniors Cost of Living Rebate—Parameter Update". What is a parameter update?

Mr M.P. MURRAY: The department has updated its modelling to reflect a declining population, increasing workforce participation and a decline in the CPI from previous estimates. The spending changes reflect this forecast adjustment to the seniors' cost-of-living rebate.

Mr P.J. RUNDLE: What has changed to constitute this parameter update?

The CHAIR: I think he just answered that, member.

Mr M.P. MURRAY: It is due exactly to what I was saying about the increasing workforce participation of seniors. In other words, they are working for longer. There is a decline in CPI from previous estimates when we thought the way forward would be higher, but it has flattened out a bit, and the population is declining. Do not forget we have lost about 50 000 or 60 000 people out of Western Australia in the last one and a half to probably two years. That is reflected in the need for the finances to be adjusted across the board. The director may want to say some more.

Mr G. Searle: They are the relevant points. The overall number is going up. No individual is going to get less money as a result of these changes. It is recognising the demographic changes that have occurred and the changing CPI, and factoring them into the forward estimates. That is all that number reflects.

Mr P.J. RUNDLE: In the out years of 2021–22, there is quite a change. Can the minister explain that?

Mr M.P. MURRAY: I defer to the CEO. I think he has already answered the question, but he might want to repeat it.

Mr G. Searle: It is the same set of figures. It allows for adjustments in the population in that age cohort and our estimation of the percentage of who will be working. When they are factored in together, they are the numbers we come up with.

Mr Z.R.F. KIRKUP: I refer to "Payments to Individuals" at page 427 and the table under "Delivery of benefits and concessions administered by the Department including the Seniors Card."

The CHAIR: Where on that page?

Mr Z.R.F. KIRKUP: It is the first table.

The CHAIR: It is under "Efficiency Indicators".

Mr M.P. MURRAY: Is it "Average Management Cost per Seniors Card" under "Efficiency Indicators"?

Mr Z.R.F. KIRKUP: That is right. Last year, I note that a number of cuts were made to rebates for WA Seniors Card concession holders. Does the minister anticipate any further similar cuts in this budget or in the forward estimates?

Mr M.P. MURRAY: I do not. In saying that, I understand where the member is coming from. I do not see the 2017–18 rebates changing at all. I see that remaining as we move forward. We will honour what is there, of course. There is always a temptation to make reductions in any budget, but I have stood my ground and certainly made it very clear that the seniors have done their bit in trying to repair the problems you created.

Mr Z.R.F. KIRKUP: Me?

Mr M.P. MURRAY: No; you were not there, but the bloke next to you was.

The CHAIR: He was, but he was in a different role, minister.

Mr M.P. MURRAY: In all honesty, a thin slice has sought to be taken from every budget. But, to make it fair, the seniors have done their bit and I do not see any changes to that.

Mr P.J. RUNDLE: I take the minister to “Royalties for Regions Fund” in the fourth line under the statement of cash flows on page 442. What work has been or is being done to identify other projects in the minister’s portfolio that could be funded by royalties for regions?

Mr M.P. MURRAY: Royalties for regions is not entirely my area, it is that of the Minister for Regional Development. I can tell the member that I am out there trying very hard to identify anything that is available along those lines. Any request for royalties for regions funding has to go back to the other minister’s office.

The appropriation was recommended.

Meeting suspended from 8.08 to 8.13 pm

Division 34: Local Government, Sport and Cultural Industries — Services 20 to 22, Sport and Recreation, \$103 591 000 —

Ms M.M. Quirk, Chair.

Mr M.P. Murray, Minister for Sport and Recreation.

Mr D. Ord, Director General.

Mr D. Rosielle, Finance Officer.

Mr N. Sloan, Executive Director, Planning and Service Delivery.

Mr S.K. Humfrey, Principal Project Manager, Optus Stadium.

Mr R. Thomson, Manager, Facilities Development.

Ms E. Ramage, Chief of Staff, Minister for Sport and Recreation.

[Witnesses introduced.]

The CHAIR: 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. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

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, 1 June 2018. 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 through the online questions system.

I give the call to the member for South Perth.

Mr J.E. McGRATH: I refer to page 464, service 21, “Building Capacity and Participation”. It states that this is to provide support for organisations and personnel delivering sport and recreation statewide from participation to the elite level through advice and funding support. On 17 May this year the minister announced grants to support inclusive sporting programs across Western Australia. That was listed as the McGowan government’s targeted participation program. I think the minister listed 17 inclusive programs that promote sport and participation to low-participation groups. What was the decision-making process in allocating funds to the 17 projects the minister listed?

Mr M.P. MURRAY: There is certainly a process of collection of ideas around the place, and then they are worked through. It is not just about throwing your hat in the air and hoping someone will catch it. It is about working very hard with communities and different sports and understanding their needs. It is very important to understand their needs. After nearly 18 months I think most people understand that I am a person who really wants to support grassroots sport and will work accordingly to do that. Once people come in and start to give us the ideas it goes into the Department of Local Government, Sport and Cultural Industries and we work through them. The department sends out people to talk to different groups that are interested. Some of those may drop out and some may say, “This is what we want.” The department is a key cog in doing that because we have different segments in the department—from consultants right the way through to the financial people, and some are here today. We ask them whether it is feasible. It is very important to make sure that we have the processes right and build facilities in the right area. I will hand over to the director general to give us a bit more about the process.

Mr D. Ord: Thank you, minister. I will ask Mr Sloan to give details on the 17 programs and the methodology used.

Mr N. Sloan: When the department develops these programs, it has a suite of guidelines that underpin the decision-making process and provide guidance to potential applicants about what the department and the government are looking for and priorities that reflect submissions that they might put in. We work with the organisations on the development of those applications, in line with the guidelines approved by the minister, before an internal assessment is made of those programs, and the recommendations progress through the normal governance structure within the department, the corporate executive, to the minister for him to approve.

[8.20 pm]

Mr J.E. McGRATH: I understand from what the adviser said that these people would make their application. They have already been given some advice on how to apply for the grants. How is the amount of the grant determined and how many organisations made applications?

Mr M.P. MURRAY: If someone is going to build a house, they have to work out how much they are going to spend. That is what we will do within the department. Again, I will defer on how that decision-making process occurs. Certainly, we had to tighten up in some areas to make sure that money went around to the whole lot of them. Some of them might not have got the Taj Mahal they were chasing, but they might have got something sufficient along the way. In saying that, I will hand over to the director general.

Mr D. Ord: The funding sources for the department include the lotteries account, which is of course variable, depending on the net operating surplus of the lotteries. We get a five per cent statutory application from that, and the balance of our funding comes from the consolidated account. In terms of the number of applications for grant rounds, we are quite happy to take that on notice and give the member a list of the number of applications and the success rates, if that would assist.

Mr J.E. McGRATH: Are these grants separate from the grant system that has been in place for some time, whereby sporting clubs apply to the Department of Sport and Recreation, which sometimes will come up with a third of the funding; a third will come from the local government organisation, which might own the ground or the facility; and a third will come from the club itself? This is not in that program; it is a different program.

Mr M.P. MURRAY: Again, I will defer. My understanding is that it is different. There are different organisations. Some might be for Aboriginal groups or different ethnic groups out there. For the finer detail, I will hand over to the director general.

Mr D. Ord: The fund the member referred to—the community sporting and recreation facilities fund—is a separate fund. This is a program fund for contestable grants.

Mr J.E. McGRATH: Is there an accountability process in place to make sure that the funds have been used to achieve the intended purpose?

Mr M.P. MURRAY: I am a bit surprised by the question, because this was brought in under the previous government. Accountability is something that I have been adamant about. I have certainly had some complaints, including one from the member for Dawesville, about accountability with the funds in one area. It was not particularly under this process, but one of his groups had to send money back. They were not too happy about that. That is about accountability. When someone signs off on something, they have signed an agreement. Just because it is the government it does not make it any easier for us to say, “You can keep the change.” It is not about that; it is about doing the job properly and making sure we get value for money. Again, for the finer detail, I will hand over to the director general.

Mr D. Ord: Thank you, minister. All the grants given out by the department are under a funding agreement, which has requirements for an acquittal process. The party receiving the grant will be required to write back to the department and acquit the funds for how they were spent and the outcomes achieved. Those details are reported in our annual report.

Mr M.P. MURRAY: Before the member asks his next question, I will go back to that again. There is another area that I am very concerned about. While it is not exactly about this group, it is about progress payments, which I think we have to go to. We say that a group will get X amount. Some of the smarter contractors in the building area know exactly what that amount is about. This is sport and recreation right across the board, but relates to how we acquit things. I would like to see that brought in. I do not know whether the department would totally agree with me because it is extra work, but as I said in the grievance the other day, we should do progress payments in the future, rather than saying, “Here’s your money.” It is really great to see that some of those people have been very good at saving money, but then they will not want to send it back. Let us look at it from a forward view and of keeping the pressure on contractors. I hate to think that as a government we have been stitched up because the word “government” is written up the top, whereby contractors will put another 10 per cent on top because of the government issue. We have to be tighter and we have to be smarter. The acquittals must come out.

Mr J.E. McGRATH: How are the funds meant to generate interest among the nominated groups of people who are, in the minister's words, typically not engaged in organised sport and recreation? I am a big believer in getting disengaged people into sport—I think it is great for young people especially. How does the minister define disengaged youth?

Mr M.P. MURRAY: All departments look around for disengaged youth around the place. Sometimes they are referred through the courts. It is not hard. Street basketball is an example of how we find those people. They cannot get a basketball team inside, but if they organise a game of street basketball, 50 kids turn up. Straightaway there is an area where people can gain their confidence and start to get them into organised sport. I think it is very important to do that. That is only one example; there are many others. There are mechanics programs. Kids love to tinker with cars. Police and community youth centres do that quite well. We do get those people in. I will again tell one of my stories about the PCYC in Collie. The manager was leaving. He was of the times when the police were part of the police force. A group of kids came up to have a cup of tea. They had been invited, because they were kids who had been outside the circle. They had more earrings, studs and tattoos over them than any member would ever usually see. Do members know what they said to that copper? I reckon he will remember it for his lifetime, because I did. He had gained their confidence. He had taken them off the street through that program and brought them inside. Their words to him were, "You're leaving today." He said, "Yeah." They said, "You're not a bad bloke for a copper." That meant he had won. He had got those kids inside. That is the sort of work we need to do and keep doing.

The CHAIR: I have the member for Dawesville, then the member for Roe and then the member for Bicton.

Mrs L.M. O'MALLEY: Sorry, my question is a further question on this matter on behalf of my colleague the member for Armadale. Further to targeted programs, I refer to item 68 on page 446 of budget paper No 2. What funding is available for programs that use sport to engage at-risk youth and prevent them from entering the justice system?

The CHAIR: I think that is actually a new question, but the minister will take it.

Mr M.P. MURRAY: As I have previously said, I am pleased to advise that the department has provided funding to two sporting programs in Armadale. As we have heard in recent times, there have been some disengaged youth out there who need programs. An amount of \$25 000 was provided to the Armadale Youth Intervention Partnership's holiday program through the City of Armadale. The city has come on board as well, along with the rest of the community. Again, it is very important that we have these partnerships to be able to bring them together. The intervention strategy engages seven young people who have been identified by the Western Australia Police Force, schools and partner groups as having severe, complex needs. The program involves community work or education in the morning, followed by sport and recreation in the afternoon—I would have loved to have been in one of those programs, to be quite honest. That is over a four-week period, followed by a year of engagement with a youth worker, who assists in building them a tailor-made education support plan. Again, it is about getting down to the grassroots of the problem. Most of it is about education. Sport is a great provider of other areas—mental health, physical health and all those sorts of things—but if they are not educated and then cannot communicate properly or fill out job application forms, they are going backwards.

[8.30 pm]

Using sport as part of an intensive early intervention strategy is highly effective, and the grant that the government has given will help steer people away from youth justice programs. Funding has been provided to further develop the Armadale night fields program through the department's targeted participation program funding scheme. That program is one of the best I have seen because it is not just one sport, it is not just about soccer; rather, it involves many sports so the kids do not get bored quickly. They can move to another sport and be a part of that sport. People are always watching, helping and assisting those kids to get through the hiccups. Some of them do not want to go home. Some of them want to play sport all night, because home is not a very nice place. If they get mentoring and form friendships, they can work it through. One of the really important things about the program is that it is free. A lot of kids do not play sport because playing sport is not free. I was at Balga the other day. Balga Soccer Club has dropped all fees, which is tremendous. The rule at Balga Soccer Club is a little bit different because the parents must do volunteering work, whether that is working behind the goalposts or whatever. The parents are probably of the view that it is easier to go that way than not having their kids play soccer. I met two of the parents. It was really special to meet them. They were fathers, who are very shy. They did not want to be part of the front thing and did not want their photo taken, that sort of thing. But they came to the club because it meant that their kids could play sport. One of them was coaching the kids in soccer. Remember, there are 40-odd different languages out there so he would have had a job and a half sorting that lot out. The other father was picking up the balls, putting up the nets, those sorts of things.

Having that connection means that kids who otherwise would not play sport are able to play sport. While one program has been funded, Balga Soccer Club has taken it upon itself to bring the kids in. The council is very much involved. The other little thing is that the kids got \$2, \$3 or \$5 to go there and spent it in the canteen. There was

a spin-off where it went up by about 20 per cent, but they could not have paid their dues and have the same thing in the canteen. Funding programs, such as the youth engagement scheme and targeted participation program, are provided for social groups that would usually not be involved. I am sure that many of these kids will remember some of the words of advice given to them along the way. They do not get that at home because of some disruption or other, and having the \$2 or \$3 to spend in the shop meant that they did not hear mum saying, “You can’t go”. It is very important that we have those programs, and I am certainly proud to be a part of them.

Mr Z.R.F. KIRKUP: I refer to accommodation expenses in the “Income Statement” table on page 468. It is quite a variable line item and goes up to \$23.8 million in the out years. I am keen to understand how the Department of Sport and Recreation’s former headquarters in Vincent Street will be utilised as a result of the machinery-of-government changes.

Mr M.P. MURRAY: I understand where the member is coming from and I do have some notes, but I think it is far better for me to hand over to someone with more expertise than I have.

Mr D. Ord: Thank you, minister. The department has obviously been formed as part of the machinery-of-government change and, as a consequence, we have inherited a range of accommodation, including the Leederville facility. We are also headquartered at 140 William Street. The sport and recreation facility in Leederville is leased from the City of Vincent. It is very affordable accommodation for us at about 50 per cent of the rate of 140 William Street on a per-square-metre basis. It was purpose-designed for the department. It fulfils the function of not only hosting the department, but also providing facilities for sporting clubs and organisations to use for training, development and engagement. We are keen to maintain a public-facing agency and, as such, we are looking to make sure that we optimise the accommodation at Leederville and retain that public-facing organisation status. In fact, other elements of our department have moved into or are moving into Leederville to fully utilise the space availability. While there is some adjustment downwards of accommodation, we expect to consolidate from 140 William Street from three floors down to two floors as a consequence, so the savings projected in the budget are related to the consolidation in overall accommodation. We also lease facilities in the regions because we maintain regional offices. There has been no staffing reduction in regional staff in the new department. We had staff only in the sport and recreation division, but those accommodation costs are also included in this division.

Mr Z.R.F. KIRKUP: I appreciate that response. In relation to the costs associated with withdrawing from one of the floors at 140 William Street, is there any anticipated cost? Does the government understand how that will be filled by other agencies or will the minister’s agency continue to bear the cost of rent associated with a vacant floor?

Mr M.P. MURRAY: I will again pass over.

Mr D. Ord: Thank you, minister. We are working with the Department of Finance. All government accommodation is managed through the Department of Finance. It is consolidating other accommodation that the government uses across the city. We have expectations, given that 140 William Street is a desirable location with a number of central agencies there, that it will be able to backfill the space in time. Clearly, we have commitments to meet with the Department of Finance and I have to negotiate those savings back to my budget, but Treasury in its generosity is reflecting that I will achieve that end.

Mr Z.R.F. KIRKUP: Thank you for the response. Am I right in understanding that although the Vincent Street facility is obviously part of the Department of Local Government, Sport and Cultural Industries, it will be a hub of and maintain its sports focus? Is that right?

Mr M.P. MURRAY: That is nice simple one, but to keep the continuity, I will pass it across.

Mr D. Ord: I thank the minister. The department is essentially now made up of service delivery and regulation. We have the Combat Sports Commission in sport and recreation, so the regulatory elements of our department, which cover racing and gaming, liquor and local government. We are giving some additional support to the Combat Sports Commission and some of that will be operated from 140 William Street. We are also seeing the advantage of linking our strength into local government through the integrated planning model for local government. We are hoping to strengthen the local government delivery of services of sport, recreation, culture and the arts. As such, Mr Sloan is taking a leadership role around integrated planning and will operate from Leederville. It will be a sports specialist. We are retaining the public service areas in that building so that the sports community still consider it their spiritual home within government. Hopefully, they will also have the opportunity to take advantage of the better connects between the agencies that we now have within the department.

Mr Z.R.F. KIRKUP: I appreciate that response. As a result of a lot more full-time equivalents being moved to the Vincent Street location, does the minister anticipate seeing a lot of frontline, sport-orientated staff being moved out of that facility; and, if so, has the government identified who they may be and where they will be going? I appreciate that some of the racing and gaming functions will move out. Are there any other frontline, sport-oriented roles that will likely move to other locations, such as regional areas, to cope with one floor of 140 William Street being consolidated within the Vincent Street head office site?

[8.40 pm]

Mr M.P. MURRAY: That is quite a long bow to draw. Again, I will give Mr Ord the final touch on that.

Mr D. Ord: No, we are not anticipating the need to put sport and recreation staff elsewhere. There may be some consolidation of corporate services staff into different locations, but no frontline sport staff will need to move out of Leederville to go to other locations. We are currently hosting some organisations that use Leederville. I think it is an aged sports group, the Seniors Recreation Council, which is a tenant. That tenancy is quite short term, so if there were a need—I do not see at this stage that we have an imperative for it—that we had to move somebody, it would be an external person who was occupying the space on a temporary basis.

Mr Z.R.F. KIRKUP: To tie up all this in that case, referring to the table in which accommodation expenses grow in the out years by about \$3 million, is that in relation to the minister's portfolio areas or is that expense growth in other areas of the Department of Local Government, Sport and Cultural Industries? If it is within the minister's portfolio, can he explain why that growth exists?

Mr M.P. MURRAY: Mr Ord will answer.

Mr D. Ord: I think it is just an escalation cost related to consumer price index adjustments and the like.

Mr D. Rosielle: The increase for 2020–21 is also related to the new Museum and the initial operating costs of that.

Mr J.E. McGRATH: I refer to page 447 and the second dot point under the heading "Significant Issues Impacting the Agency". The dot point refers to the decline in Lotterywest's revenue and how it will impact the funding available to arts and cultural organisation, and also sporting groups. Is that reflected on page 446, item 70, in which budgeted expenditure goes from \$19 million in 2018–19 to only \$12 million in 2021–22? Has that been brought about by the impact of the decline in Lotterywest's revenue?

Mr M.P. MURRAY: No, that is a different fund. There is some carryover in that fund and then it drops back down again.

Mr J.E. McGRATH: Can the minister explain why the expenditure will drop from \$19 million in 2018–19 to \$12 million in 2021–22? Is that a budget cut?

Mr M.P. MURRAY: I will pass that over to Mr Ord.

Mr D. Ord: That is the community sporting and recreation facilities fund. Essentially, the program is a rolling program over three years, so at times, due to the fact that it is one-third investment, with two-thirds from other parties, we commit funds but then have to roll them over while we wait for the other money to come together, so every now and then we get a rolling number. We have not estimated what the carry forward might be in the forward estimates. The appropriation, which is a consolidated revenue appropriation, is \$12 million a year and that has been there for a time. The \$17 million represents the \$12 million plus a \$5 million carryover essentially of un-finalised capital works programs. The following year it will be \$12 million, but it might end up being \$15 million next time the budget is refreshed.

Mr J.E. McGRATH: The minister has been away with me to events interstate, and the one thing that people in other states are really impressed with is this funding arrangement for sporting clubs that we have in Western Australia. Mind you, we do not have poker machines. I guess the fact that sporting clubs in those states can have pokies means that they are not as reliant on a fund such as this, but it is an outstanding fund. I think that when the National Party's Hon Terry Redman was minister, the fund got up to \$25 million at one stage—I am not sure, but it was fairly high—and it has been reduced a bit since. That leads me to my question: is there an ever-increasing demand to tap into this fund? There would be huge demand from all the clubs in our electorates that need work done or rebuilding.

Mr M.P. MURRAY: That brings in several issues. First, I am adamant that from now on there must be a sinking fund that goes with the grants from the fund as well. Too often, people do not put anything away for the future and then they come to the government crying broke. In the future, there will be no excuse for that because part of the grant will require clubs to establish a sinking fund alongside their existing funds. I pick on the poor old bowls, but I do not mean it. Knowing the member's ability as a bowler, the absolute far side of the courts is worn out and there is not enough down the middle. Over 10 or 12 years, clubs have not put anything away for a replacement court. To me, if the club had put 5c on a glass of beer and said that it was going to a sinking fund, they would have enough money to buy their own replacement court. Why not do that? Why should the clubs always come back to government?

I am very surprised that the member brought up CSRFF funding, because looking at some of the figures in the budget papers, it went as low as roughly \$9.5 million in 2014–15. I thought the member was in charge of the fund then. I thought the member was the man running the show from the Liberal Party. To criticise us because the fund in our budget is above the marker, I find that quite remarkable. Honestly, it is a great fund, because it levers communities, volunteers and people out of their comfort zones. Shires come in and give a hand as well, and they can do a lot with in-kind work. Into the future, I have to be adamant that we can no longer, as a government of either ilk, just replace facilities, whether it be a bowling carpet, a hot water system or a building that is falling down because the roof has not been fixed. Those days have to stop. Some clubs built Taj Mahals that they cannot

afford to run. That is totally wrong. Clubs should build facilities that suit their size and that they will be able to maintain into the future.

Mr J.E. McGRATH: I would like to ask a further question on Lotterywest. This is very important because Lotterywest is now coming under a lot more pressure from other gaming organisations and international lotto games. How big a risk is that for the department of sport and recreation under the funding model that it has, which is, I think the director general said, five per cent of Lotterywest's profits? How big a risk will that be in the future? What challenges will be put on future governments if we cannot arrest this slide in Lotterywest's profitability?

Mr M.P. MURRAY: It is a concern. I have broached the subject with the Treasurer, and he has come to realise that there are some problems there. As the member said, people's behaviour changes about where they put their money, and it has been a bit different. Of course, Lottoland has caused us some heartache and we hope to deal with that Australia-wide. It is good that the federal government has had some say in this area, because I think it has been very slow to pick up on it. It is about outside bookmakers coming through as well. Again, we are not putting that money back through that area. It is something that we have, over and above, but we have had to cut back. I will pass it to the director general to go into more detail.

[8.50 pm]

Mr D. Ord: I thank the minister. We have benefited, of course, in that the Lotteries Commission had traditionally grown by just above the rate of inflation, so over a prolonged period we have had an escalating sum into the sports lotteries account. That has certainly enabled the department to undertake a range of new initiatives that it would not have been able to do under the normal budget situation. That, of course, came to an end in the 2015–16 year when the first downturn in Lotteries revenue became apparent. It has stabilised around the \$15 million, or just over, mark. The Lotteries Commission projected revenue growth was fairly ambitious. It set a target of growing at around five per cent. Budget estimates last year and the year before were projections on, we might say, really ambitious targets for Lotteries growth, and therefore there has been a significant writedown in those numbers. In reality, the amount, in today's dollar terms, is roughly what it was last year. We are not getting the benefit in growth, but the loss of funds to the department is about \$1 million from where we were estimated to be and we have had to modify or reduce our program ambitions by that \$1 million. If it has stabilised, then we would be very grateful for that, because a further downturn would start impacting on our ability to support sporting organisations in this state. However, we have been working very closely with the Lotteries Commission and its new CEO towards looking at all of the net expenditure, because Lotteries can support various activities in its own right, given the charitable intent of that money. The money is intended to be applied to areas of greatest social need, including social need in the sports area, and the member has referred to some of the types of initiatives that we have been able to support through Lotteries funding, which includes getting older people mobile and all these things. We hope that if we cannot support Lotteries directly through the department, with the support of Lotteries we might be able to apply support directly through the rest of its allocation. If we allow for the other components of Lotteries, arts and sport in total is around 15 per cent, 40 per cent goes to health and the rest is available for discretionary spending. There is still quite a considerable sum available to Lotteries to do good in this area. We are, I guess, indicating some areas of need. If we cannot support them through the Lotteries account, we hope that Lotteries might enable people to apply to them directly.

Mr J.E. McGRATH: The director general has just highlighted something else: the sports betting fund—money from sports betting. A lot more people are now betting on sport, in fact in some cases more so than horseracing. Does the Department of Local Government, Sport and Cultural Industries get some money out of that sports gaming account and could the minister indicate how much that is and is it growing?

Mr M.P. MURRAY: Again, I will defer to the director general.

Mr D. Ord: I thank the minister. I can certainly ask the chief finance officer to give the member some specifics on it, but in general terms, yes, we get money from the sports gaming account. Those funds have been growing this year. The member is right, there is an uptake; however, there had been a significant diminution of that. We were requested to take a lower percentage to enable some advertising and marketing around sports gaming, I suppose to make WA a bit more competitive because so much of it has gone offshore. The department took a financial hit for the better good.

Mr J.E. McGRATH: They took it out of the department's bucket of money.

Mr D. Ord: That is right, but that has seemed to have now generated some positive revenue, and one of my other ministers, the Minister for Racing and Gaming, is of course moving with new legislation to support the ability to support both Lotteries revenue in Western Australia and also look to deal with some of the offshore sports betting concerns so that we can retain that sense of community service and good community outcomes from those activities.

Mr P.J. RUNDLE: I have a further question.

The CHAIR: Was it a further question or a new question? You are on the list for a new question.

Mr P.J. RUNDLE: This is a further question to the community sporting and recreation facilities fund.

The CHAIR: Thank you. Where is the item number? We were talking about Lotterywest.

Mr P.J. RUNDLE: Item 70 on page 446, following on from the member for South Perth. Are there any election commitments being funded from this fund?

Mr M.P. MURRAY: Of course. There are some of them there. I do not have the list in front of me at this stage, but I will defer to the director general. If they came out of sport and recreation, certainly it has been done in some of those election commitments. I have gone not only there but also to some, what we would call, safe Liberal seats, including the member's leader's safe seat. Sorry; wrong department. I will just move across one member to make sure. I do not have that list.

Mr D. Ord: A total of \$6.3 million of commitments will be funded out of that community sporting and recreation facilities fund, which includes \$500 000 to upgrade the Kingsway Wanneroo netball facilities —

The CHAIR: Money well spent, might I say.

Mr D. Ord: — potentially \$1.5 million to upgrade Robinson Reserve in Osborne Park, \$1.8 million to upgrade netball courts in Gibson Park in Bicton, \$2 million to redevelop the Morley Sport and Recreation Centre, \$500 000 for the beach emergency numbers signage program and \$150 000 to the Perth Soccer Club.

Mr P.J. RUNDLE: I think the minister understands how important this fund is to regional people as well as metropolitan people. I am really concerned about the \$7 million drop-off. I understand part of that comes from those election commitments. Is there an opportunity for a slight increase in the out years to be supplemented from royalties for regions funding?

Mr M.P. MURRAY: Again, I cannot speak for the minister for royalties for regions, but one thing I will agree with is how important this fund is, certainly in regional areas, because sometimes we do not have the volume of people to raise money, but we still need some of those facilities. We do not need the Taj Mahals that were built under the last government, including a \$64 million sporting facility in Port Hedland from the royalties for regions fund. The member's side of politics should have a good look at themselves and see the money wasted. The sporting facility, such as the member would wish in other areas, was built on a swamp that cannot be used in the middle of winter. It is just ludicrous. The Langouant report has put that back out there. I find it quite galling that the member is willing to criticise where some of that money has gone, when I have seen what has happened in areas such as Port Hedland. And to think that there are only 18 000 to 19 000 people there with a \$64 million-facility. Sure, they needed some facilities, but Taj Mahals? Not at all. That money could have been put to use in other areas across the board. The opposition did not choose to do that when it was in government, so I find it really against the grain and certainly against the spirit of a fund such as this. The fund also takes into consideration the ability of some of the communities to raise that money. That then assists people in country areas. I will support it and it has been supported, not reduced, as the previous government had done to \$8 million. We will keep it at the \$12 million as per the forward estimates. At the moment, as we see, it is over \$12 million because of carryovers. I do not have a problem supporting that fund.

[9.00 pm]

The CHAIR: Member for Roe, you are down for a question next if you are game.

Mr P.J. RUNDLE: Yes, I am game.

The CHAIR: I indicate that it is then the member for Dawesville. To keep to the quotas, one of the government members might want to stick up their hand.

Mr J.N. CAREY: I think they are nearly at the end of their questioning.

Mr Z.R.F. KIRKUP: I am curious to know more about these quotas, Madam Chair.

Mr P.J. RUNDLE: I refer to "Voluntary Targeted Separation Scheme" under the spending changes on page 437. How many of the redundancies have been department of sport and recreation positions based in regional Western Australia?

Mr M.P. MURRAY: I am very proud to answer that question and say: none. The member is not happy? Surely the member is happy!

Mr P.J. RUNDLE: Yes, I am very happy with that. Would the minister be able to provide supplementary information about the whole department and the positions, the location, which I assume are all in the metropolitan area by the sound of it, and the level of each position made redundant?

Mr M.P. MURRAY: If the member turns just slightly and looks to the person sitting next to him, he will see someone who has asked that question 25 times. He would have that information, so I suggest that the member puts the question on notice. We will be able to copy it out for the member, the same as has been done on many occasions for the member for Dawesville.

Mr P.J. RUNDLE: I am happy to accept that as supplementary information.

The CHAIR: The minister has asked for it to be put on notice.

Mr M.P. MURRAY: We have the answer and it will be available straightaway, without having to go through the system as such.

The CHAIR: Member, I have to say that what you have asked for is broader than the minister's portfolio. That is an issue. You would have to narrow down your request in any event.

Mr M.P. MURRAY: The director general would like to answer.

Mr D. Ord: The voluntary separation scheme runs through to 30 June. When the budget was prepared, we were only halfway through. We can give a response related to the budget now, but it would not necessarily be the full number at the end of the financial year. I want to make sure that the member is aware that the information we give him correlates with that in the budget papers.

Mr P.J. RUNDLE: I am happy to receive that information up to the point of the budget.

The CHAIR: Member, you understand that it is a question on notice, so you will have to draft that.

Mr P.J. RUNDLE: Yes, I understand.

Mr Z.R.F. KIRKUP: I refer to the table "Income Statement (Controlled)" on page 468, specifically looking at the cost of services and the employee benefits. I appreciate that this is within the minister's portfolio area as part of a larger sort of allocation. I note that employee benefits continue to increase although the rider at footnote (b) states that the full-time equivalent positions will decrease over the out years. I am keen to understand why employee benefits increase while the number of FTE positions decrease—within the minister's portfolio area, if that is possible.

Mr M.P. MURRAY: Again, I will defer that to the director general.

Mr D. Ord: Yes. The budget is at a point in time. The budget, including the out-year forward estimates around employee benefits, reflects the staffing establishment at the time when the budget was drawn up. Further savings measures are underway through the voluntary targeted separation scheme. As they mature, they will be reflected in the midyear financial review and we expect those numbers to decrease.

Mr Z.R.F. KIRKUP: I thank the minister for the answer. In reference to the decrease that already exists as a result of machinery-of-government changes, has there been a decrease in state executive service positions within the minister's portfolio areas? I do not think I have asked a question about that.

Mr M.P. MURRAY: I would have to check. I will defer that question straight across to the director general.

Mr D. Ord: There is some reference to the savings directly at the director general level because we have consolidated to have fewer directors general, and that is reflected in the papers. Beyond that, there have been reductions in the state executive service staff in line with government's requirement for a 20 per cent reduction. In our agency, the reduction also included SES officers who were essentially on temporary contracts related to the Perth Stadium project. When those contracts have come to an end, naturally those positions will also have declined or separated from the agency. In net, we were down about 40 per cent of our SES level prior to the original amalgamation, but we have met the savings target.

Mr Z.R.F. KIRKUP: Does the minister intend to backfill? Obviously, 40 per cent is in excess of the target initially imposed by Treasury. Does the minister imagine backfilling some of those SES positions that are vacant or are those positions no longer considered to be required as a result of the machinery-of-government changes?

Mr D. Ord: Yes. As I said, a number of the positions were created as a result of major projects underway within the portfolio.

Mr Z.R.F. KIRKUP: Are they short-term contracts?

Mr D. Ord: Yes, that is right. The short-term contracts are factored into that number, so they will not be replaced. However, we will fill our allotted number of SES positions that complied with the numbers given to us by Treasury.

Mr Z.R.F. KIRKUP: It may be a bit too large. I appreciate that the Chair will rule me out, but it seems to me that Department of Sport and Recreation has cut quite a lot of SES positions. I am just trying to understand that. That seems like quite a significant portion of the SES reduction in the overall agencies' SES quota. To me, it seems almost disproportionate compared with the other functions.

Mr D. Ord: Essentially, we had to create a new executive structure for the agency. For instance, Mr Sloan next to me is undertaking a dual role across Local Government and Sport and Recreation. There has not been any disproportionate reduction. More senior project officers were employed in relation to the football stadium than in other areas. One senior executive came over from the old Department of Local Government and Communities and they took a separation package. Essentially, the executives from the other agencies have formed the new executive. That is essentially how it is structured.

Mr P.J. RUNDLE: I refer to item 20, “Industry Leadership and Infrastructure Development”, on page 464. I note that the \$2.5 million commitment from the 2017–18 budget to replace the courts at the State Tennis Centre does not appear in this year’s budget. Can the minister tell me whether this has been done or where that \$2.5 million is under infrastructure development?

The CHAIR: Strictly speaking, if it is not in the budget papers, can you ask that question?

Mr P.J. RUNDLE: I am just asking for some guidance from the —

The CHAIR: You can ask whether it includes the centre, but you cannot talk about a matter that is not necessarily referred to in the budget papers.

Mr P.J. RUNDLE: Does this budget include the \$2.5 million that was previously committed to the State Tennis Centre?

[9.10 pm]

Mr M.P. MURRAY: I am aware of what the member is talking about, so that is fine. Just to make sure that I am on the right on track, I will defer to the director general.

Mr D. Ord: I will pass over to Rob Thomson, who is responsible for that project.

Mr R. Thomson: The total cost of service line item includes the \$2.5 million from that project.

Mr P.J. RUNDLE: It does include that?

Mr R. Thomson: It does.

Mr P.J. RUNDLE: What stage of the project is the department at with that \$2.5 million?

Mr M.P. MURRAY: Strong discussions are going on behind the scenes, and Tennis West has put forward different views on what it wishes to do. Talks with the department are ongoing. What Tennis West comes back with on where it wants to head in the future will be considered very, very closely by the government. But in saying that, we need a business case from Tennis West on where it wants to go and what it wants to do before any decisions are made. The member might be a bit surprised at that, but the opposition has been asking for that for quite some time so we have exceeded the opposition’s request and that will be done. I think we probably need a little more explanation so I will pass that over to the director general.

Mr D. Ord: I will ask Mr Thomson to provide further information.

Mr R. Thomson: We have been working with Tennis West on a business case, and looking at a state tennis centre and the infrastructure requirements that will meet the needs of tennis over the longer term. We have been doing that and are into that process. In terms of the court replacement—the \$2.5 million referred to—Tennis West wrote to us and put forward some options to consider. An offer has been put to Tennis West in the last couple of weeks, and it is considering the offer on what those funds can be put towards. That is again obviously subject to the business case that the minister mentioned.

Mr P.J. RUNDLE: I am a big tennis fan, and I am concerned about how the Public Transport Authority has dealt with Tennis West and where the new train station has been built. I understood that fit-for-purpose courts would be put in place. I am a concerned as a member of the tennis public, and I look forward to the support of the department on this.

The CHAIR: Minister, that is a statement and you can choose not to answer it.

Mr M.P. MURRAY: I will make a very quick statement on that because I understand the concerns. We are working with Tennis West very, very closely. Several options have been looked at, some of which we put forward and Tennis West went away and had a good think about because it thought that the money would be tied to one particular job. We told Tennis West to have another think about where it wants to go. We know that the tennis centre has problems with subsidence and that has created some problems around the sort of tennis courts that will be built. Some would cost far, far above the \$2.5 million available, and that would create an argument. The member has heard that the department is working very closely with Tennis West and has put forward some options. I have spoken with some of those people, including the board, and we are confident that in the future there will be something that is acceptable to both parties. I suggest that the member looks at his colleagues over that side and asks the federal Minister for Sport to chip in a bit, and he might get a very nice surprise.

Mr J.E. McGRATH: We are working on it.

The CHAIR: Is that a lob to the federal government, minister?

Mrs L.M. O’MALLEY: I refer to the fourth line on page 469, which relates to women in sport and the community sporting and recreation facilities fund. What is the government doing about the lack of female-friendly facilities in light of the increasing participation of women in sports such as footy and cricket?

Mr M.P. MURRAY: A lot.

Mrs L.M. O'MALLEY: Good to hear.

Mr M.P. MURRAY: We have seen a bit of a revolution, I suppose, from the women's side of sport. They have come very strongly into what has traditionally been a male-dominated area, and good on them. We certainly support that. A lot of work will have to be done to provide facilities for women playing those sports. We cannot have what was previously okay in the men's showers, if you want to call it that, where all sorts of shenanigans used to go on when I was a younger person playing football. I see the member for South Perth over there, and I assume he would have played some of those silly games that were played in men's changing rooms. But now that the change is there we need to encourage and keep those participants, and encourage younger ones to come through. The increase has been really, really surprising. One of the, I suppose, smaller issues is around women crossing over into different sports. It is now acceptable to play a different sport, say like rugby or Australian Football League football, when previously they might have gone to surf life saving and those sorts of things. There is a bit of competition there, and I think it is quite healthy that people are choosing other sports.

The department has funded programs to increase participation, with projects such as the Volleyball WA female-only volleyball and the Perth parkour participation program receiving grants for women. We have to come to grips with that over the next three years or so that we are in government and we are working very, very closely on that. In my community I went and had a look at what were previously dongas that have been done up for men's sport. The women said they could not use them, and I hate to think of women coming in and having mixed sport days during which women are first or second—whichever way—but are not able to use the showers or the toilet facilities because they are not suitable. We really, really have to deal with that to keep those people there.

As we move further on and different people come through, the community sporting and recreation fund will prioritise funding for new or upgraded toilet and changing room facilities to meet the needs of female participants. That will be at a huge cost. There is no cheap way around it. We have to do that, and we recognise the increased participation of women in sport. At nearly every footy club the thinking was not forward enough to think that women would want to play AFL football. They have urinals, shower cubicles and doors that open out so people can see into them. So we will have to work hard to make sure that the money goes the full distance, but we will put women's sports first and we will continue to support that area through whichever funding and partnerships we can find. We have to do that, otherwise we will see a drop-off. It has been so hard to get some women, especially younger women, into sports and participating for their health and wellbeing. I assure the member that we understand the problem and we are working very hard to solve it.

[9.20 pm]

Mr P.J. RUNDLE: Minister, I refer to the three programs, YourMove, ActiveSmart, and KidSport, in the first dot point on page 449. Where is the funding for those programs?

Mr M.P. MURRAY: As we know, those programs have been put on the block and adjusted slightly to suit today's model, moving forward. But I will handball the question on the funding to make sure that we get the right figures in the right place. I can assure the member that all those programs are quite dear to sport and rec and me to get people out and about, whether they be seniors or juniors. I am sure that we can get a run-down from the director general or one of his helpers on the funding for those programs.

Mr D. Ord: They are primarily in the consolidated account for the agency to run its programs. Those costs are embedded in that. ActiveSmart was a trial program that we undertook and we are looking at partnering with Healthway to gain some of the funding there. There is a statutory allocation for sport in the Healthway account, and we believe this program, which has proved in its pilot to be highly successful at getting whole communities to increase their level of physical activity, is perfectly targeted to a number of the key indicators in the Healthway program. We are therefore working with Healthway on the potential for direct funding for that program.

Mr P.J. RUNDLE: Is the minister quite comfortable that those three programs are fully funded from the consolidated account and will continue as they have been over the last few years?

Mr M.P. MURRAY: I see no reason for them not to be funded. As we heard from the director general, there is a consolidated account and there will be discussions, as always, about where funding goes and who are partners in the funding. We are not putting out programs just to have another press release; we are about seriously engaging the community in sport. I must say that sport is the greatest leveller in all things. When we talk about those programs being active, in Western Australia, we are held in high regard—I have been to the Australian sports ministers' meetings—in the way we use sport to help people in our communities integrate, especially new Australians, who integrate very quickly through our sports programs. I do not see any reason why we would not fund some of those programs.

The appropriation was recommended.

Division 35: Western Australian Sports Centre Trust, \$93 816 000 —

Ms M.M. Quirk, Chair.

Mr M.P. Murray, Minister for Sport and Recreation.

Mrs J. Carren, Acting Chief Executive Officer.

Mr G. Nordsvan, Chief Financial Officer.

Mr S. Humfrey, Principal Project Manager, Design Development Director.

[Witnesses introduced.]

The CHAIR: With the indulgence of those assembled, I will ask the first question.

Minister, I refer you to the first and second dot points on page 476, concerning Optus Stadium. In relation to security and the orderly running of the venue, have there been any evacuation drills? What preparatory work has been done about possible incidents at the stadium, bearing in mind that the Community Development and Justice Standing Committee is looking at this issue at the moment?

Mr J.E. McGRATH: Richmond supporters had one at three-quarter time on Sunday. It worked very well!

Mr M.P. MURRAY: Plenty of work has been done on security out there. I am very concerned that if there is a major problem and we reveal everything that has been done in those areas, we could exacerbate the problem. As we know, an inquiry is being undertaken, and the member for Burns Beach is a member of the Community Development and Justice Standing Committee that is working through that. We have to be very careful with what we show. We live in an evil world and some people out there are very, very evil and will go to extreme lengths to do damage to others. I do not want us to say this is what is here and this is what is there. I think most members of the standing committee have been through—I wait for a nod from the member—and looked at the facilities. I went and looked at some of the security measures at nib Stadium. I do not want to go into detail but it was impressive to see what is there. I ask anyone in here—I am not sure whether it is possible, but I look for a nod—to look at some of the security systems, but without telling people exactly what is there, because if we did, we would give away the plot and make it easy for others. I am not trying to be evasive; I am offering people an opportunity. I got the nod. I want people to have a look. I suggest that they do. I was gobsmacked to see what has been done at that stadium. Millions of dollars have been spent on measures at Perth Arena that the public does not see. Time and again, reviews are undertaken at the Perth stadium; they are ongoing. Due to the different methods of harming, such as car ramming and things like that, we have to adjust how we go about our security. The measures at Optus Stadium, in light of the very, very big crowds that go there, have been handled very well.

Mr J.E. McGRATH: It is very well planned.

Mr M.P. MURRAY: There have been a few minor issues of a low-grade nature. How would Optus Stadium have a full evacuation procedure? We cannot stop a game at half-time and tell 50 000 people to run out, but we can watch how they go in, how they go out, how they move around and the crowd movements generally. I have reported on the number of games I have been to, and I have been to the stadium many times and watched the crowd behaviour change. Where people are going out has changed dramatically. In some of those areas, buses have become the favourite way to get away rather than trains. The trains are still doing a good job. At one stage, cars were going to be able to go under the stadium, but people very quickly realised that was a danger and that something could happen if we allowed it. Van bombs and those sorts of things influenced where parking could be allowed. I ask that if members want a preview and a look at the places, to please organise a tour, but we do not want that information in the press so that, if some idiot is out there, they will not get a head start.

I am not sure whether the Chair needs me to add to that.

[9.30 pm]

The CHAIR: I just need some clarification, so I will ask further questions. The minister's adviser can probably answer them both. I have attended the stadium on a number of occasions and I have had three different seats. On a number of occasions, if I can use the vernacular, I have been given a bum steer by people who are specifically there to advise me how to get to a particular area of the stadium. Are they the people who will be advising me of where I need to go if there is an incident or some emergency situation? If that is the case, I have to say that I am not absolutely filled with confidence.

Mr M.P. MURRAY: As someone who walked quite some kilometres around the stadium and back to the same person, I would have to agree with the member. I think we have to give people some time and some opportunity to be drilled in that area, but I know what the member is saying. The turnover of staff does not help. I will hand over to my adviser, if she would like to add a few words.

Mrs J. Carren: I take on board the point that we had very new staff at the commencement of operations. Many things have been in place, such as event management planning, and training is critical and there is no room for complacency. However, we have utmost confidence in our emergency response plans, the chief fire wardens,

operations, the CCTV, and the way communications are handled should anything occur at the stadium. We have processes in place for the appropriate access and egress to be managed out to muster points et cetera. I am very confident that those drills are occurring and that the appropriate communications are in place.

The CHAIR: Are the people who currently show people to their seats the same people who would be doing that?

Mr M.P. MURRAY: I will defer the question because I am not sure myself.

Mrs J. Carren: The ushers are not in charge of emergency evacuation at all. That is all run out of the control room. The chief fire wardens and wardens would take control of the venue at that time.

Mr Z.R.F. KIRKUP: Having gone on a tour of the facility and into the control room with the member for Burns Beach has given me confidence in their ability in a command situation to deal with it centrally. The technology in use is very impressive. I think it was well executed by the former Liberal–National government.

Mr M.P. MURRAY: We will cop that one.

The CHAIR: Is there a question, member?

Mr Z.R.F. KIRKUP: There is, indeed. I refer to the fourth dot point under “Significant Issues Impacting the Agency” on page 476, which relates to Perth Motorplex. A number of people have approached me with concerns about where the motorplex is. Could the minister give us a precis of what is happening? I could jump in with any specific questions. The minister may already answer them in his summary statement.

Mr M.P. MURRAY: We hope that the ongoing operations of the Perth Motorplex will be resolved fairly soon. The proposed transition to the private sector through sale or lease had not been concluded at the time of the budget. Variations have been asked for and some people have backed off because they did not want to take it on after seeing that. We have taken that on board and we are looking at how we can improve the saleability of the motorplex. As a government, it is not something that we want to carry on with. VenuesWest will continue to talk with further proponents who may wish to purchase the area. The problems are not financial only for the venue itself. Competitors are also finding things a bit tight, so the number of competitors has dropped off. It is very expensive for dragsters to blow a motor and to put it back together, as are the finances of getting there. The variation in what the professionals who hire their vehicles to the complex charge is very difficult to deal with when budgeting. Sometimes it might be \$20 000 a car and next time it might be \$30 000 a car for the doorslammers—the jet-powered cars. We find understanding that process a bit difficult in getting on and keeping the gates open. One thing we want to see is that people have a place to go. Other issues about concessions, seating and the like still have to be worked through. Another issue is how much the government should spend to bring the facility up to 110 per cent. If we do not put money in the facility, it will become second rate and will lose further revenue or will shut its doors because we will just be subsidising it straight out of the door. I will refer this to the acting CEO.

Mrs J. Carren: Extensive efforts to secure a sale through a tender process have failed to yield a result, so we have entered into a period of conversations with other interested parties through private treaty conversations while we await the decision of government for the ongoing 2018–19 operations of the venue. We believe that an operating venue is much easier to move over to the private sector. We will wait for further advice and take it from there for next year.

Mr Z.R.F. KIRKUP: If we hit that 30 June 2018 deadline without having found a private sector operator, will the venue still be operating for motorsport or does the minister imagine that it will close its doors? Will motorsport still have a venue?

Mr M.P. MURRAY: While short-term and long-term issues are being dealt with, the intention of lease or sale to a private person remains. The member may not believe this but, although I would not call the Premier a racer, he is very keen to see it continue because it is an outlet for people so that they do not go out on the roads and do in a set of tyres that I could never afford.

What are the community races that it has?

Mrs J. Carren: The speedway?

Mr M.P. MURRAY: But also for the streetcars.

Mrs J. Carren: Whoop Ass Wednesday.

Mr M.P. MURRAY: Yes. We want to keep those events because they allow people to get rid of frustrations with their cars. I am not sure what it is. I only wish I was able to put black marks on the road like some of them do. If they do it in a facility such as that, no harm is caused and it takes it away from being on the streets. To me, that is part of our social fabric. We need to keep those people going there. We need to make sure that what they do is happening there. People are sick and tired of hooning. Why do they not go down there, pay a few bob, have some insurance and do that? I might just hand over to Mrs Carren again to explain all that.

[9.40 pm]

Mrs J. Carren: The motorplex season does not start until September—it runs from September through to May—so the 30 June deadline does not essentially impact on any of the operations at this time.

Mr Z.R.F. KIRKUP: I appreciate that answer. Just in relation to children utilising the facility, has that been halted of late? I am keen to understand where that is at in terms of a policy decision and the internal review that I believe has been taking place.

Mr M.P. MURRAY: I can answer that. We must make sure that all avenues of safety are explored before we put children back in there. There is some evidence to say that there were several previous accidents that had not been properly investigated. That, to me, is heartbreaking. Again, it was probably before our government took over, but I am not totally sure. If those accidents had been properly investigated, maybe we would not have had that tragedy. I would love to see the kids back there, but in my position I am not going to take that risk until it has gone right through the process. What I can say is that the Australian National Drag Racing Association, which is the sports body over the top, has been liaising with us and, in recent times, also with the police. There have been some frustrations between the departments. I have spoken with the Minister for Police about how we can make sure that things are more open and accountable for all parties. She has asked the department to do that. That has certainly been going ahead. I do not think anyone here would say, “Let’s have those kids back on there before an inquiry is concluded.” Let us get the inquiry done. I would love to see them there at the next season. I have met the family involved. I certainly know the grandfather of the children. He is very frustrated, as are other people and the government, but I am not going to compromise safety in any way, shape or form. Once we get the reports, we can fix the problem and the kids will be back on the track.

Mr Z.R.F. KIRKUP: I thank the minister; I appreciate the answer.

Mr J.E. McGRATH: I refer to page 478 of budget paper No 2, service 1, “Deliver Training and Competition Facilities for High Performance Sport”, and particularly to where it deals with Optus Stadium. Can the minister tell us how much the government got for the naming rights of Optus Stadium?

Mr M.P. MURRAY: No, I cannot; it is a commercial deal.

Mr J.E. McGRATH: I am so disappointed, minister!

Mr M.P. MURRAY: The government would lose its competitive advantage if we were to name that. I am sure the member is aware of that. The member cannot say that some things that might have hurt the government’s future income were not held back when his party was in government. We are making sure that commercial confidentiality is maintained because of that issue. I can tell the member that it was a good deal for the state of Western Australia. That money has gone back into the coffers. Yes, the previous government was not going to call it anything and there would have been very little return. We are quite happy. The name has settled in very well. The people who are paying the money to go there are more than happy with that name now.

Mr J.E. McGRATH: I want to just drill down a little more on that same item. I refer to the figures under 2018–19. The cost of service for the stadium has gone up significantly from this year—I gather that is because the stadium will have had 12 months of operation—and also the income will increase. Would the minister be able to provide us with some idea of whether this is all stadium revenue in this section; and, if not, how much of it is stadium revenue? What is the Western Australian Sports Centre Trust budgeting for 2018–19, given that there will be 22 football matches, and possibly some finals, and concerts, cricket and all that stuff? There must be some sort of budget that looks at possible income out of the stadium.

The CHAIR: Member, you have referred to the cost of service, not the income.

Mr J.E. McGRATH: Yes, cost of service—\$135 million.

Mr M.P. MURRAY: Again, I will refer the question on the financials. I can say that as far as budgets are concerned, VenuesWest has done a magnificent job in providing information and in being helpful about different problems out there; it has done everything possible to help the state out on the stadium.

Mrs J. Carren: The budgets for 2018–19 and 2017–18 reflect a consolidation of accounts—that is the change in accounting treatment that we received late in 2016–17. By comparison, the 2016–17 budget did not have that same consolidated approach to both costs and revenue. When we move forward to 2017–18, we have half a year of operations in the accounts for Optus Stadium and then in 2018–19 the full operations are budgeted for. I will refer to our chief financial officer to give the member the details associated with the costs of the operator in 2018–19, which I think was the second part of the member’s question.

Mr J.E. McGRATH: Part of the \$135 million in 2018–19 would be the drawdown for the continuing ongoing maintenance to the contractor. Would that payment be included in that?

Mrs J. Carren: Correct.

Mr J.E. McGRATH: Someone told me at the footy on Sunday —

Mr M.P. MURRAY: It would not have been a lie!

Mr J.E. McGRATH: — that the revenue from catering has amazed the stadium operators. The figures have been very high. The public has really come on board—they obviously like the catering there. The figures have been very good. Can the minister tell me, maybe through the department, whether these early games have exceeded expectations?

The CHAIR: The way the member phrased that question, it could be answered with a yes or a no.

Mr J.E. McGRATH: Yes, but he would not do that to me.

Mr M.P. MURRAY: I will give him something. For a change, some of his gossip is right! The member was standing in the right place at the right time to listen to that. I do not have the figures, but I can say that it has exceeded expectations. From the last time I was talking to VenuesLive, there has been higher than expected turnover. I am not sure whether I am allowed to say how much —

Mrs J. Carren: No.

Mr M.P. MURRAY: It is substantial.

Mr Z.R.F. KIRKUP: The minister could tell us; he is amongst friends!

[9.50 pm]

Mr M.P. MURRAY: It is a substantial spend by people who come into the stadium. I am absolutely shocked. I am glad that I am not paying for my kids to go there, because it would cost me a fortune! The spend is far higher than most people expected. The spend at The Camfield, which is outside Optus Stadium, is remarkable; indeed, it is remarkable how much people are spending at sporting facilities. It is great to see that support from the Western Australian public. One thing I must say—I have to be careful how I say this because I made a comment today and got told off—is that I am sick and tired of the knockers of Western Australian sport and our facilities. I had to be very careful about how I couched that. Every time a blade of grass falls over, someone wants to make a complaint. That famous West Coast Eagles team from the weekend complained two weeks ago that the ground was too hard, yet in the derby, I saw one of them running down the wing and when he went to bounce the ball, it never came back. I thought, “Where’s that come from?” Every person has their day of glory at the stadium. The Eagles had theirs last week. I do not think that it will continue, but that does not matter. Every time there has been a complaint, we have had a look at it. VenuesWest has been magnificent in looking at issues and working with VenuesLive to make sure that we have a stadium.

Mr J.E. McGRATH: The only complaint I have heard about the stadium is from the Chair, the member for Girrawheen, who could not find an attendant to show her to her seat.

The CHAIR: No, I found an attendant, but they gave me a bum steer—on several occasions!

Mr J.E. McGRATH: I refer to “Significant Issues Impacting the Agency” on page 476. I am asking this question on behalf of my young colleague the member for Dawesville. There is a challenge to get music acts to extend their tour beyond the east coast. How does VenuesWest and the Western Australian Sports Centre Trust make sure that we get big acts to travel from the east coast to Perth? What is the strategy?

Mr M.P. MURRAY: I will answer that because I have asked the same question. VenuesWest has been very active and aggressive in that space to try to get some of the top acts. I will refer to my notes.

The CHAIR: It is Ed Sheeran; okay, repeat after me.

Mr J.E. McGRATH: Is the minister getting Ed Sheeran back? The minister will get Ed Sheeran back because he will come back to see the minister.

Mr M.P. MURRAY: We are trying to attract them to come, in some cases, to Western Australia first so that there is not a rundown and tapering off of the excitement. I tell members with all sincerity—again, I cannot blow the whistle on which acts we are chasing and what we are looking at—that we are looking for, in the first instance —

The CHAIR: Just sing a few bars, minister!

Mr M.P. MURRAY: I blame the member for South Perth; he wound up the Chair and now I am copping it! After the time he has spent in Parliament, the member for South Perth should have known better about waking her up!

Can I honestly say that we work very hard to make sure that we get one world-class act. What is the name of the bloke who I called the wrong name?

Mrs J. Carren: Ed Sheeran.

Mr M.P. MURRAY: Ed Sheeran. He is a world-class act and I have never heard of him, but that does matter.

Mr Z.R.F. KIRKUP: When the minister says a world-class act, does he mean from his generation?

Mr M.P. MURRAY: Did I cop it, especially from my kids!

It will be a coup for Western Australia if we can get one or two world-class acts to perform in Western Australia, because usually they perform on the east coast and then go back overseas. VenuesWest is working extremely hard

and given the way it is working, I am hopeful that it may get another world-class act this year. Again, because of commercial confidentiality, we do not want to blow promoters out of the water. We want to make sure that they get through. I am getting a few notes here. I am not going to say that because that will give opposition members all the ammunition in the world! We need those acts to help pay for the stadium, to fill Western Australian hotel rooms and get the tourism industry back on track. In recent times there has been quite an influx, not a huge influx, of people coming from the Malaysian area.

The CHAIR: The Malaysian area would be Malaysia.

Mr J.N. CAREY: I know that we have five minutes left and I encourage the minister to use all five minutes.

The first dot point under “Significant Issues Impacting the Agency” refers to attracting big state and premium sporting events to Western Australia. The minister mentioned the Commonwealth Games, about which there has been some speculation. Can the minister indicate what the government is doing to draw in and attract major sporting events to Western Australia?

Mr M.P. MURRAY: I have already done a fair spread on that, but I will give you another one, mate!

Mr J.N. CAREY: Go for it—five minutes!

Mr M.P. MURRAY: What I can say about the Commonwealth Games is that I asked the department to do an audit on all our facilities. It is all right to have Optus Stadium, but other areas around the place must be up to scratch. At this stage we are looking at all our facilities. I do not see us being a contender for the Commonwealth Games in the short term because they have been held in Australia a couple of times recently. We will be a bit down the list and my guesstimation is that Canada will be next. We might get the one after that or the one after that. But we have to have the facilities in the first place. That is fine; we will do that.

Mr P.J. RUNDLE: The first dot point on the same page refers to the successful first year of operations of the stadium. Can the minister enlighten me about the difficulties the government has had with unsold tickets to football matches? I gather that allocations that the government has set aside for tourists have been left unsold.

Mr M.P. MURRAY: One of the first things I will say is that I was very disappointed in a certain football club saying that it was the government’s fault that the tickets were not sold. There was a very obvious part of the stadium where the tickets were not sold. It was not our fault; rather, it was the club’s marketing issue. When the tickets were handed back, the club did not put them on sale early enough. I have not seen the club since. I am still waiting to see it and I will see it all right. But I can tell members that I might get another question in Parliament! Seriously, the club stuffed up in a big way with 500-odd seats that it could have onsold. It should not blame the government for those sorts of issues.

Mrs J. Carren: Yes, the minister is quite correct. The Bankwest memberships sold out extremely well—within two hours. We are very happy with that. It is a commercial decision for each of the clubs as to how they handle their own memberships. We are thrilled with the fact that we had a crowd record of more than 57 600 people at the recent West Coast Eagles versus Richmond game, and we will shortly be celebrating the millionth patron to the stadium.

Mr M.P. MURRAY: I want to say that people out there are buying tickets without knowing whether they are genuine. Three hundred and fifty invalid tickets were sold to unsuspecting buyers at Perth Arena. Do not tell me that that will not happen at Optus Stadium. They lined up with bogus tickets, unlike me who lined up and was turned away —

The CHAIR: Is the minister sure that they were not genuine but they were sent in the wrong direction!

Mr M.P. MURRAY: I lined up at Perth Arena. When I got to the front of the big, long queue, I was told that my tickets were not valid. I stood there for a while and looked at my wife and she said, “They must be; they must be okay.” But then we found out that we were there on the wrong day!

The appropriation was recommended.

Committee adjourned at 10.00 pm
