

Division 31: Culture and the Arts, \$217 699 000 —

Ms W.M. Duncan, Chairman.

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

Mr D. Ord, Director General.

Ms M. Butcher, Director, Office of the Director General.

Mr C. Walker, Director, Policy, Planning and Research.

Ms S. Sherdiwala, Acting Chief Financial Officer.

[Witnesses introduced.]

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

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

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I give the call to the member for Midland.

Mrs M.H. ROBERTS: I refer to page 348 of budget paper No 2 and the first two dot points under "Significant Issues Impacting the Agency", both of which refer to the Western Australian Museum. The first dot point states that the Perth site will close its doors to the public on 18 June 2016 and that the new museum is not scheduled to open until 2020. The second dot point states that the new museum building will incorporate the four existing heritage buildings into an exciting new facility that will act as a gateway to Western Australia for national and international audiences. Can the minister advise me of the cost of the new museum project referred to in the second dot point? I understand that some costs have already been met with what the minister calls the new museum project at Welshpool and that facility has been completed, so I am not asking about that; I am asking about the new museum itself. How much money will it cost and how is that allocated across the out years?

Mr J.H.D. DAY: As the member indicated, it is a truly exciting project and one that has been needed for 20-plus years. I probably do not need to elaborate more except to say that the project is at an advanced stage of the tendering process. Negotiations are continuing with the preferred proponent and all the detailed discussions have been progressing very well. The total value of the project is about \$428 million, which was originally allocated in the 2012 budget. Part of that \$428 million in funding has been spent on the expansion of the Harry Butler Research Centre facilities at the Welshpool site, as the member mentioned, at a cost of \$17 million, and part of that funding has been spent on restoration of the external aspects of the heritage buildings at the Perth site, at a cost of about \$5 million. The estimated value of the new Museum building is around \$300 million.

[4.50 pm]

Mr D. Ord: It is approximately \$300 million.

Mr J.H.D. DAY: The fit-out or content of the building, which is an essential aspect of the project as well, is being funded, as was always intended, out of the allocation of \$428 million. A major team within the Museum is working on that aspect of the project at the moment as well.

Mrs M.H. ROBERTS: Is the capital appropriation for the Museum reflected on page 347 in "Item 133 Capital Appropriation" or is that something else? Where can I see the figures for how that \$428 million is allocated across the out years? The minister will recall that such things as new police stations and whatever list new works and the total value of the project, and then how much is allocated in each out year. That is what I am looking for.

Mr J.H.D. DAY: I refer the member to "Asset Investment Program" on page 362 of budget paper No 2. Under "Works in Progress", "New State Museum" is listed with an estimated total cost of \$428.3 million. In the coming financial year, \$95 million is expected to be expended, \$80 million in the year after, \$140 million in 2018–19, and \$63.5 million in 2019–20. As I said, that is listed there on page 362.

Mrs M.H. ROBERTS: The minister said that he expects to hand the site over and commence construction in early 2016–17. When does the minister anticipate awarding the tender?

Mr J.H.D. DAY: It will probably be in July some time, so the handover would be fairly soon after that and, assuming negotiations continue and conclude satisfactorily, Brookfield Multiplex will commence works on the site between now and the end of the year for the removal of some of the temporary facilities and initial site works and so on.

Mrs M.H. ROBERTS: I am looking at a couple of items that are linked together. I refer to the bottom line of the table on page 348, “Targeted Voluntary Separation Scheme”, for which money is allocated across the out years. By how much have staff numbers been reduced? I want to know how many staff have been let go this year. The total full-time equivalents are listed across 16 separate headings under services and key efficiency indicators. Each of those 16 headings separately lists full-time equivalent actual, budget, estimated actual and budget target for 2016–17. I wonder whether the minister has to hand the totals for all of those things and can tell me the actual total staff across those 16 areas for 2014–15, what was budgeted for 2015–16, the estimated actual for 2015–16 and the budget target for 2016–17.

Mr J.H.D. DAY: That is quite a lot of detailed information being sought, so I am not sure that we are able to provide all of that.

Mrs M.H. ROBERTS: I thought the minister would have it to hand; it is just total staff.

The CHAIRMAN: Order, member for Midland; the minister is attempting to answer.

Mr J.H.D. DAY: The voluntary severance scheme has been part of the agency expenditure review process and that process required a reduction of 42 positions from a total of 859 staff across the portfolio. A voluntary separation scheme was offered last December, which closed in January, with 79 employees expressing interest in the scheme. I am advised that as at 20 May, 32 voluntary separations had been accepted and the cease date has occurred, five voluntary severances are still to be accepted and completed, other staff have been relocated to other positions in the portfolio or more widely in the public sector, and three employees have withdrawn from the voluntary severance process. The general target date for employees leaving the portfolio is 30 June this year and total savings have already been taken from the salary line in the forward estimates. I ask Mr Ord to comment on the further information being sought.

Mr D. Ord: For those specifics per agency, we can take that on notice.

Mrs M.H. ROBERTS: Can I have that by way of supplementary information, minister?

The CHAIRMAN: Can the minister define what he is providing, please?

Mr J.H.D. DAY: We will provide, as best as possible, the information that the member for Midland sought in her question.

Mrs M.H. ROBERTS: It is just a matter of adding up the 16 separate items in the budget. I am seeking the actual number of full-time equivalent employees for 2014–15, the number of FTEs budgeted for 2015–16, the estimated number of FTEs for 2015–16, and the budget target for FTEs for 2016–17 across those 16 service and key efficiency indicator areas.

Mr J.H.D. DAY: Does the member want each area separately?

Mrs M.H. ROBERTS: No. They are listed separately for each area in the papers; I just want the totals.

Mr J.H.D. DAY: Yes, that is supplementary information as discussed.

[*Supplementary Information No A49.*]

Mrs M.H. ROBERTS: I refer again to page 348, “Targeted Voluntary Separation Scheme”. Do the figures of \$868 000, \$889 000, \$912 000 and \$934 000 reflect ongoing savings from reducing the number of FTEs by 42 on a continual basis or would that include further redundancies above the 42 in those out years?

Mr D. Ord: It is based on the savings as they are extrapolated across the forward estimates.

Ms J.M. FREEMAN: I refer to the line item “2016–17 Tariffs, Fees and Charges” under “Spending Changes” on page 347. I notice there was no line item for tariffs, fees and charges in last year’s budget, so this is a new item in the budget this year. The estimated actual in 2015–16 is \$102 000, increasing to \$206 000 and then decreasing again to \$112 000. What makes up the tariffs, fees and charges and why is there such a significant doubling in the income from tariffs, fees and charges in 2016–17? I am happy to take it as supplementary information.

Mr J.H.D. DAY: I can answer that. New fees were approved for the State Records Office digitisation services, the State Library of Western Australia’s events catering fee, and the King Street Arts Centre foyer hire fee, so I expect those increases in charges were related to getting closer to cost recovery.

[5.00 pm]

Mrs M.H. ROBERTS: Further to that, will the minister table those fee changes or provide them by way of supplementary information?

Mr J.H.D. DAY: Yes, we will do that.

The CHAIRMAN: Minister, can you restate what you will be providing?

Mr J.H.D. DAY: We will provide the details of the fees that are charged for digitisation services at the State Records Office of Western Australia, the State Library of Western Australia's events catering fee, and the foyer hire fee for King Street Arts Centre.

[*Supplementary Information No A50.*]

Mrs M.H. ROBERTS: The sixth dot point on page 348 refers to royalties for region funding of \$24 million that will be invested over five years to 2018-19, which is a repeat of what was in the previous budget. Is money allocated beyond that; and, if not, why not? What money can be anticipated from royalties for regions beyond 2018-19, and is there the prospect of another five-year extension?

Mr J.H.D. DAY: There is always the prospect of it. Certainly Country Arts WA would be very keen for that to occur. The name is not there, but it is being provided for the Creative Regions package to increase arts activities in a range of areas in regional parts of the state. I will ask Mr Ord to elaborate.

Mr D. Ord: Under the new royalties for regions program, in approving the five schemes the Minister for Regional Development included a review provision based on the schemes meeting the key performance indicators identified in the original funding program. That review period is 18 months from the time that the scheme came into effect, so effectively it will be reporting around the midyear financial period this year on the first 18 months of the program. Further funding, or the continuance of the program, is subject to the review outcomes, as indeed is the potential to move funds between schemes depending how each of the five schemes perform.

Mrs M.H. ROBERTS: If the review is done midyear, does that mean there will likely be an announcement at that time about continued funding?

Mr J.H.D. DAY: Maybe; we simply have not made that decision. We are not far enough advanced to say that, but once we have the information we will see what commitments will be made in the future. I am sure there will be a strong desire for it; indeed, as I said, I know there is a strong desire for it to continue. It has been very much welcomed in regional parts of the state by the art sector and the funds that have been available from the R for R program have been, as I said, very much welcomed and strongly supported by the arts portfolio. The member is obviously aware of the desire. I am sure Country Arts has made its desire known to her as well.

Mrs M.H. ROBERTS: It has; it needs the money, and it would like more.

I refer to "Other Receipts" under the heading "Net Appropriation Determination" on page 366 and to the line item "Rental Income from King Street Arts Centre", which has an amount of \$232 000 in 2015-16 and other amounts of \$235 000, \$237 000, \$239 000 and \$241 000. I find it interesting that rental income is going up in the government's forward estimates when other people are finding that rental incomes are going down. However, I will put that to one side, because that is not my substantive question. My question is: what space is rented there? What space does the department utilise at King Street Arts Centre? Is the minister contemplating moving out of any space at King Street Arts Centre?

Mr J.H.D. DAY: My personal view is that I would be very reluctant for the government to not continue ownership of King Street Arts Centre. I think we should retain it. It is obviously an important facility for the arts community and it is highly desirable that it stay in public ownership. It is home for a range of arts and cultural organisations. Those non-commercial tenants include FORM; Contemporary Arts and Design; Ausdance WA; Artsource, which is more fully known as the Artists Foundation of WA; Co3, which is a fairly new dance company; Performing Lines; the Western Australian Youth Theatre Company; Community Arts WA; and the Community Arts Network WA. All those organisations receive public funding through the Department of Culture and the Arts through triennially-based funding contracts. They are important organisations in the arts sector.

Mrs M.H. ROBERTS: The minister is no doubt aware that there have been requests to establish a theatre at the Midland railway workshops. I think a request has gone in for workshop 1. However, workshop 2 would be equally desirable. Has the minister given any thought to creating an arts centre there, including theatre space and potentially other space? I note that clearly that space is very conducive to Country Arts, given Midland's relationship with the regions.

Mr J.H.D. DAY: Yes, I am aware of a proposal or suggestion that has been made, but it is not something the government has taken much further because a substantial cost would of course be involved. We also need to be mindful that despite how much some local communities would love to have them, regional art centres around the metropolitan area, and the state for that matter, are generally quite expensive to operate. Given where my electorate is and where I happen to live, I would be delighted to have such a facility in the railway workshop site, but those who are proposing such a facility need to be mindful of the cost of operations, as I said. A couple of years ago, the Committee for Perth, I think it was, undertook a study about performing arts facilities around Perth, in particular, and, I think, more widely across WA, but around the Perth metropolitan area. The view expressed then was that we have too many for them to be viable. That is my candid observation of what would be desired, but if it is achieved at some stage, that would be a wonderful thing. There has been a commitment by the government in the Midland area of course, and we have referred to some of that in the Health discussion earlier and what has been done through the Metropolitan Redevelopment Authority and other parts of government as well. That is where things are at as I see them at the moment.

Mrs M.H. ROBERTS: I refer to “Income from State Government” on page 364. I note that the service appropriation estimated actual for 2015-16 is \$130 629 000. However, in 2016-17 it drops to \$123 810 000, which is a loss of \$7 million. The line item two lines down from that, “Royalties for Regions Fund: Regional Community Services Fund” shows an amount of \$7 256 000 for 2015-16 and an amount of \$15 207 000 for 2016-17.

That is an increase of \$8 million. Is that a coincidence or not, and is it really cost shifting from CRF to grab the money, the \$8 million, out of the royalties for regions fund to enable CRF to give \$7 million less to the arts?

[5.10 pm]

Mr J.H.D. DAY: I will ask Mr Ord to comment.

Mr D. Ord: The agency expenditure review led to a range of efficiencies primarily directed, obviously, towards the CRF budget. It is a coincidence that the additional funding in the budget for the regional film fund and other funds that we receive from royalties for regions related to the Better Beginnings and Creative Regions programs equal a similar sum to the one that we are meeting as efficiencies through the agency expenditure review savings measures. There is no direct correlation between activities we are ceasing or reductions in administrative costs. The programs that will be delivered from royalties for regions are quite specific to services actually being provided to the community.

Ms J.M. FREEMAN: I refer to “Arts Industry Support” on page 354 of budget paper No 2 and the total cost of service supporting the delivery of arts and culture activities across Western Australia through funding programs and partnerships. I note that the estimated actual for 2015-16 has gone down, but it goes back up again next year. My question is about the Fringe World Festival, which is an open access presentation platform. The minister would know that there has been concern regarding some of the performers and people involved in the festival about its size and the capacity for people to continue to perform. I have raised this in the house before when discussing its success. When is the 2016 impact report expected? Can the minister outline what contributions the state government made to the Fringe World Festival in 2015-16?

Mr D. Ord: Mr Walker would be the best person to answer.

Mr C. Walker: The Fringe World survey is not due until the midyear reporting in the department, so it will be due at the end of this financial year. It will be published on its website as in previous years. As for the contribution from state government, it would take into account the contributions from the Department of Culture and the Arts, the Metropolitan Redevelopment Authority and Lotterywest; the total comes to around about \$1.2 million.

Ms J.M. FREEMAN: Further, is information on the contribution able to be broken up—that is, by Lotterywest, the department and the MRA? I gather the MRA contribution is in kind, because it would have been land, not necessarily funds. Can the information on the contribution be broken up into those sections?

Mr C. Walker: We can provide that as supplementary information; that is okay.

Mr J.H.D. DAY: We will provide information on the funding that was provided to Fringe World Festival for 2016 from Lotterywest, the MRA and the Department of Culture and the Arts broken down by how much from each organisation.

[*Supplementary Information No A51.*]

Ms J.M. FREEMAN: Does the minister have any response to the concerns raised and the request to ensure that the Fringe World Festival is sustainable in the future by enabling sustainable returns for performers?

Mr J.H.D. DAY: That is an issue for the board and the management of Fringe World and Artrage, which is the organisation that presents Fringe World. I recall a newspaper article that the member gave me published in, I think, *The West Australian*. I raised the issue in a meeting with Artrage and essentially the answer was that it tries to achieve a balance to ensure that the venues are accessible to a whole range of performers, and it did not want to shut out those who were clearly more successful and attracted a lot more audience—which I think is the right way to say it. Maybe Mr Ord can comment on that further.

Mr D. Ord: The department has had quite a bit of engagement with the Fringe and we have agreed with it that as part of the impact reports, it will undertake some elements around how performers have fared in their net takes, which is in a sense returns on the investment of the time they put in as performers. We will be interested to look at those statistics ourselves. The arts funding program is essentially an open access grant program, so in fact we do find Fringe performers apply ahead of time for some assistance from the department, often to help them prepare pieces that would go into the Fringe. It is not the case that no artist in the Fringe has access to government funds, but of course our funding programs are competitive, so whether they get funded or not would depend on the nature of the quality of the submission. The proposal by some artists in the Fringe that there be some sort of guarantee of a minimum wage, if you like, provided through funding of the Fringe is not a model that runs in fringe festivals anywhere else in the world, and it would be difficult for us with the way that we run our grants program, which, as I said, is competitive funding. There is, I guess, a lot more competition for grants than there is the ability of the government to meet them, so we have to have a competitive process and award grants based on multifaceted criteria. But we do understand the underlying concerns and, as I said, the Fringe has been very cooperative in preparing to have a look at this issue itself, because obviously the sustainability of the Fringe will depend on the viability of artists.

Dr G.G. JACOBS: I refer to the sixth dot point on page 348 and the \$24 million invested from royalties for regions.

Mrs M.H. ROBERTS: We have already asked about that.

Dr G.G. JACOBS: The member has asked a question, but if she would just listen to the rest of my question, I am happy to take the answer to my question as supplementary information. Does the minister have any idea about the distribution throughout regional Western Australia of those funds for Aboriginal art centres and capital improvements in art venues?

Mr J.H.D. DAY: We could certainly provide that information. There are five streams in the Creative Regions program, one of which is for Aboriginal arts centres.

Dr G.G. JACOBS: I realise that.

Mr J.H.D. DAY: We have put out media statements when the allocations have been made, so there is probably quite a bit of information in those, but I am happy to provide a breakdown by way of supplementary information about what has already been allocated and announced in each of the five streams—maybe not explicitly by region, but the arts organisations that have been provided with funding will be listed there and the member will very easily be able to work out where they are located.

[*Supplementary Information No A52.*]

Mrs M.H. ROBERTS: I appreciate that my colleague the member for Victoria Park is keen to move on to the Indigenous Affairs division, so I will make this my last question. It pertains to “9. Public Library Services” on page 358 of budget paper No 2. I note that between 2014–15 and 2015–16 there is a cut of about \$2 million to public library services. How has that been achieved? Has there been any impact on the opening hours of public libraries? Has there been any impact on the purchase of books and other products by public libraries? Has service to the public been restricted in any way?

[5.20 pm]

Mr J.H.D. DAY: No, there has not been any reduction in opening hours. The opening hours of public libraries, apart from the State Library of Western Australia, are, of course, determined by local governments. The state provides the funding for the materials and local governments provide the staffing and the buildings, normally. Therefore, there has not been any change to opening hours as a result of any state government decision.

Regarding the amount of funds for materials purchased, as part of the agency expenditure review, to which we have referred, a modest saving has been made through a reduction of five per cent in the allocation for library materials. Overall, we increased it quite substantially a few years ago and we simply needed to make some modest adjustments to meet the allocation provided through the state budget for the arts portfolio. Although we do not like reducing things, a reduction of five per cent is fairly modest and given that a lot more information is provided through electronic means these days, I think that can be accommodated fairly easily. I am not suggesting, in case anyone wants to think otherwise, that electronic means are a complete substitute for hard copies of books. I certainly do not and I much prefer hard copies of books. We will need to keep up the effort in that respect, but that explains some of the reduction. I will ask Mr Ord to add further.

Mr D. Ord: As part of our restructure and the agency expenditure review, certain parts of the appropriation have been reallocated between parts of the portfolio. One of the major savings measures was to bring together asset maintenance across the State Library of Western Australia, the Art Gallery of Western Australia and the Western Australian Museum. As a consequence, asset maintenance funding was taken out of the appropriation of some of the key agencies and moved to the department. Equally, some of the department's expenses have been reallocated. In particular, the library has taken on a centralised role of running information technology as a knowledge centre. There have been quite a few appropriation-level changes that are not cuts; they are just changes. The member will note that the appropriation for the Department of Culture and the Arts has gone up. Some of the others have gone down. It is making sure that the appropriation matches the area that is responsible for expending the funds.

Mr J.H.D. DAY: I suspect that the allocation of library materials is a different line item. It is a capital item so I probably did not need to provide the answer I just did, but that is a fuller explanation.

Mrs M.H. ROBERTS: I am curious about the number of full-time equivalent positions for public library services and point 10, "Library, Literacy and Community Engagement" on page 350 of the *Budget Statements*. I note that in 2015–16 the government budgeted for 36 FTEs for public library services but the estimated actual is 43. What went on there? Likewise, in "Library, Literacy and Community Engagement", the government budgeted for 56 but it has only 39 FTEs as its estimated actual. Given that the minister referred to the public library services as not being the state reference library and the like at point 9, and he said they are really the council libraries, where are these staff physically located?

Mr J.H.D. DAY: They are located in the State Library, which has a substantial reference collection. The state's collection of contemporary and very historical material is important to the state's heritage. I say that as a general comment.

In response to the question about literacy programs, I make the point that there is still a strong commitment to the Better Beginnings program, which provides reading materials to families with children in the early stages of life. The state is supporting that through royalties for regions, and Rio Tinto is also quite a major supporter of that.

In response to the question about the reduction in staff, the library has, as all parts of the portfolio have, participated in the voluntary severance scheme, so that probably explains most of the reduction, but I will ask Mr Ord.

Mr D. Ord: Last year, the key performance indicators for the portfolio overall were changed and the allocation of staff—given they are relatively small pools of staff—at a full-time equivalent level is somewhat notional because people work across divisions of the budget, hence some of the number of FTE allocated were notional and did not entirely reflect the activities. We fund it on a salary appropriation now, not on FTE, and, as a consequence, the number reflects the allocation of the budget into that cost centre. The relative staff allocations are just while we settle down these KPIs.

I refer to library staff. Apart from a few contract workers related to interlibrary services, there has not been a targeted redundancy beyond some of the efficiencies to do with workforce renewal, a program whereby when staff retire a lesser budget is provided for the replacement of staff. The library overall is operating within essentially the same FTE this year as it did last year and will do so again next year.

Mrs M.H. ROBERTS: We are happy to move on to the Department of Aboriginal Affairs division.

The appropriation was recommended.