

Chair; Mr Tony Krsticevic; Mr David Templeman; Mr John McGrath; Mr Simon Millman; Mr Shane Love; Mrs  
Lisa O'Malley; Dr Tony Buti

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**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

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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?

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**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

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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

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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

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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

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\$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

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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.

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**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?

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**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?

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**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.

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**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

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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

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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]

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**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

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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?

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**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?

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**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

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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.

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**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?

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**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]