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**Division 60: Local Government, \$21 043 000 —**

Ms A.R. Mitchell, Chairman.

Mr G.M. Castrilli, Minister for Local Government.

Ms J. Mathews, Director General.

Mr G. Brennan, Chief of Staff, Office of the Minister for Local Government.

Mr B. Jolly, Executive Director, Governance and Legislation.

Mr M. Glasson, Executive Director, Strategic Policy and Local Government Reform.

Ms M. Osman, Executive Director, Office of Multicultural Interests.

Mr A. Shaw, Executive Director, Strategic Business Management.

Mr L. Nagy, Manager, Financial Management.

**The CHAIRMAN:** This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

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

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 8 June 2012. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

**The CHAIRMAN:** The first question will be from the member for Perth.

**Mr J.N. HYDE:** I refer to the fourth line item, "Royalties for Regions—Local Government Reform", under "Major Spending Changes" at the bottom of page 725 of the *Budget Statements*. After the allocation of \$1.44 million in 2011–12, nothing has been allocated for reform, yet on page 24 of the draft findings of the Metropolitan Local Government Review it states that there is a vast range of implementation issues, and that—

This includes the time frame for implementation, the costs of reform and how it will be funded. It is likely the greatest expenditure will be required in the earliest phases of implementation ...

Can the minister please explain where in this year's budget and the forward estimates these costs are being met?

**Mr G.M. CASTRILLI:** In 2012–13 a total of \$7.097 million will be made available, together with ongoing allocations, for that reform. That will include the \$1.44 million that will be in a bank account and that we will use to fund further regional collaborative group implementation.

**Mr J.N. HYDE:** Where in the budget is that? Is that \$1.44 million the money that was in last year's budget?

**Mr G.M. CASTRILLI:** That is the money in this year's budget to 30 June.

**Mr J.N. HYDE:** So that has not been spent and it is being rolled over?

**Mr G.M. CASTRILLI:** Yes. That will be in our cash at bank, which will be used, together with other moneys, to fund for the next four forward years.

**Mr J.N. HYDE:** Where is the \$97 000 coming from that the minister mentioned?

**Mr G.M. CASTRILLI:** Sorry, the what?

**Mr J.N. HYDE:** The minister referred to an amount of \$0.097 million. Where in the budget is that coming from?

**Mr G.M. CASTRILLI:** The total funds for structural reform for the out years will be \$12.84 million.

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**Mr J.N. HYDE:** Where is that?

**The CHAIRMAN:** Member for Perth, you did jump in before and I would like the minister to finish answering the question you originally asked before you keep jumping in to get some other things.

**Mr G.M. CASTRILLI:** We have \$11.1 million—this is future funding—that is approved to support regional groups of local governments transitioning to amalgamation. We have \$1.44 million for regional groups to implement shared service delivery and regional collaboration. A further \$204 000 is allocated to that grouping as well. We have \$10.04 million to strengthen the capacity of local government to plan for the future of their communities and built environments. There is an additional \$2.5 million allocated in the out years for the metropolitan review.

**The CHAIRMAN:** Does the member for Perth have a further question?

**Mr J.N. HYDE:** I am still trying to find out where the \$11.1 million is located in the budget.

**Mr G.M. CASTRILLI:** It is encompassed in the total cost of service on page 725 of the *Budget Statements*.

**Mr J.N. HYDE:** Just for clarification, are the figures that the minister is giving us breakdowns that are not in front of us?

**Mr G.M. CASTRILLI:** Hang on.

**Mr J.N. HYDE:** Out of a total budget of \$24 million, \$11 million will be spent on reform? Is that correct?

**The CHAIRMAN:** Member, the minister was endeavouring to answer your previous question. Let us get that one done first, please.

**Mr G.M. CASTRILLI:** Amounts of \$3.625 million and \$1.44 million from the 2011–12 budget will be repositioned into the next budget and beyond. Those figures appear in the 2011–12 budget.

**Mr J.N. HYDE:** Okay. So that we are clear, is the minister saying that that is out of the total cost of services, being the \$24.274 million allocation?

**Mr G.M. CASTRILLI:** The \$3.625 million and \$1.44 million are part of the \$28.547 million for 2011–12.

**Mr J.N. HYDE:** Just so I am clear, is that the current financial year?

**Mr G.M. CASTRILLI:** Yes, which we have repositioned.

**Mr J.N. HYDE:** So is that all spent?

**Mr G.M. CASTRILLI:** No, not yet. The two figures that I mentioned will be repositioned into the out years, but they are shown in the 2011–12 budget as part of the \$28.547 million.

**Mr J.N. HYDE:** So is that additional to the \$24.274 million allocation for 2012–13?

[7.10 pm]

**Mr G.M. CASTRILLI:** Just to confirm, the \$3.625 million and the \$1.44 million are in the \$28.547 million in the 2011–12 budget. That will be repositioned into the 2012–13 and 2013–14 budgets.

**Mr J.N. HYDE:** Just to clarify, “repositioned” means that the department has not spent a cent of it in the budget year that it was allocated for.

**Mr G.M. CASTRILLI:** It is royalties for regions money and we got it in March. That is why it will be repositioned into the out years.

**Mr E.S. RIPPER:** On the same topic, we are talking about expenses. If the minister is repositioning cash in the bank, that should show up in the expenses figure. It is hard to understand how the minister can say that \$10 million or \$12 million will be spent across the forward estimates on local government reform when the expenses drop from \$28.5 million to \$24.4 million and ultimately to \$22 million. In the next financial year, the expenses drop from \$28.5 million to \$24.2 million, and that \$24.2 million includes \$2.7 million for the implementation of the Cat Act. After looking at these figures, if \$10 million to \$12 million is to be spent across the forward estimates on local government reform, the department must be sacrificing a lot of other activities that it would normally engage in. I would be interested to know what is giving way for the department to be able to spend \$10 million to \$12 million on local government reform.

**Mr G.M. CASTRILLI:** No, we are not. As I said, the \$3.625 million and the \$1.44 million are included in the \$28.54 million. We will seek to increase the limit to \$24 million in the out years.

**Mr E.S. RIPPER:** Is the minister saying —

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**The CHAIRMAN:** Can we let the minister finish his answer?

**Mr E.S. RIPPER:** He is misleading us. He is confusing us.

**Mr G.M. CASTRILLI:** I will get the director general to clarify that and add further to it.

**Ms J. Mathews:** Just to clarify it, the \$3.625 million is to support regional transition groups in the future and the \$1.44 million is to support regional collaborative groups. Those two amounts were allocated and appear in the 2011–12 budget, but they are royalties for regions money. We have been in discussions with the Department of Regional Development and Lands about drawing down that particular cash for 2011–12, but then increasing our expense limit for 2012–13. Those are the discussions we are having with Regional Development and Lands and that is the approach it has suggested we take.

**Mr E.S. RIPPER:** In short, we cannot believe this expense figure of \$24.2 million for 2012–13 because, in answer to the very first question, the minister said that the department is going to seek permission to increase that expense level.

**Mr G.M. CASTRILLI:** We are going to seek to do that, but that is RDL's suggested approach to it.

**Mr E.S. RIPPER:** The director general's answer seemed to indicate that that money was for regional collaboration and transition. My colleague's question related to metropolitan local government reform. Where is the money for metropolitan local government reform in these figures?

**Mr G.M. CASTRILLI:** It is \$2.25 million, which will be in the 2012–13 and 2013–14 budget years.

**Mr A.J. SIMPSON:** I refer to the significant issues listed on page 727. The first dot point refers to the independent metropolitan local government review panel and strategic planning, asset management and so forth. Has the panel delivered its findings; and, if so, how will these be progressed?

**Mr G.M. CASTRILLI:** As the member knows, in June 2011, the state government announced an independent review of local governments in the Perth metropolitan area. Under the terms of reference, the panel was to examine the local government boundary structures and governance models required to respond to the challenges for and impacts on Perth over the next 50 years. A key task for the panel to inform its work was to engage with the community and local governments and relevant stakeholders. Twenty-three draft findings were released on Friday, 27 April. A four-week consultation period ended on 25 May. About 180 submissions were received by the review panel. What is significant in the draft findings is that the current structures of the metropolitan local governments will not be able to provide the best outcomes expected by the community in the future. There were obviously three options for the number of local governments in the metropolitan area. Other findings included compulsory voting, increasing the remuneration of elected members, improving community participation and regular boundary reviews. The panel will submit its findings to me by the end of June. I will then consider the panel's findings before taking them to cabinet for consideration.

**Mr J.N. HYDE:** I want to pursue the issue of reform. The minister did not address it —

**The CHAIRMAN:** I ask the member to refer to a page.

**Mr J.N. HYDE:** I refer to the spending changes listed on page 725 and also to the first dot point on page 727, which states —

Since announcing the Local Government Reform Strategy in 2009, the State Government has —

Past tense —

expended over \$16.0 million ...

So \$16 million has been spent there, \$3 million has been spent on the metropolitan local government review, and there is the \$1.44 million from royalties for regions for local government reform, as referred to on page 725. Over \$20 million has been spent—past tense—on reform. A key recommendation of the minister's review panel was that he make a quick decision and implement this quickly. When is the minister going to implement reform?

**Mr G.M. CASTRILLI:** From the metropolitan review?

**Mr J.N. HYDE:** Yes.

**Mr G.M. CASTRILLI:** As I have explained, the final report will come to me hopefully by the end of June or thereabouts.

**Mr J.N. HYDE:** The minister has received the draft findings already.

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**Mr G.M. CASTRILLI:** They are only the draft findings. The final report might have the same findings, but they might be different from the draft findings. Obviously, I need to wait until the final report comes to me, and that will give me a range of scenarios. The panel will have its preferred options and it will put those options to me. I will have to consider those options and they will then go to cabinet for consideration. My intention is to send the final report and the panel's recommendations to the whole sector for review again. Then we will see what the cabinet decision is.

**Mr J.N. HYDE:** The minister required the review to give him one option, not a series of options.

[7.20 pm]

**Mr G.M. CASTRILLI:** No.

**Mr J.N. HYDE:** Yes. It is there in the minister's terms of reference.

**Mr G.M. CASTRILLI:** No. The review panel put up three options.

**Mr J.N. HYDE:** In the draft?

**Mr G.M. CASTRILLI:** In the draft. When the panel comes back with a final report, it will come back to me with its preferred option. I will then consider that option, and then I will take it to cabinet for cabinet's decision.

**Mr J.N. HYDE:** In light of the review panel's recommendation, and in light of what every local government is saying, if the minister is to make a decision and if he is to make changes, he should do it quickly because of the upheaval and the inability to get staff, particularly on long-term contracts. If the minister is going to do something, he should do it quickly. Why can the minister not rule out already the one-council option? Why can the minister not narrow it down?

**Mr G.M. CASTRILLI:** I am not going to, quite simply because the panel has to finish its review. I am not going to rule anything in or out. The panel needs to complete its review. I will give it that option, and it will come back to me at the end of June. That is the least I can do; that is what the whole scenario is. I am not going to rule anything out. I want the panel to tell me what it believes its ultimate option is.

**Mr J.N. HYDE:** Given the draft findings and given the minister will get a draft before the end of June before he takes it to cabinet, the minister should be able to make a quick —

**Mr G.M. CASTRILLI:** I have asked for the report to come to me at the end of June.

**Mr J.N. HYDE:** Okay.

**Mr G.M. CASTRILLI:** That is the final report.

**Mr J.N. HYDE:** The minister should be able to give a quick recommendation to cabinet and act before the end of July, should he not?

**Mr G.M. CASTRILLI:** I will look at it. I will then take it to cabinet. As the member knows, cabinet goes through a process. It will be up to cabinet as to what cabinet decides. It is as simple as that. It is a cabinet decision. Then it will go out. My intention is to seek cabinet's endorsement and then send it out for the public.

**Mr J.N. HYDE:** The minister is on the record as saying very carefully—he says exactly the same sentence every time—that there will be no forced amalgamations in this term of government. Does the minister rule out abolishing all local government boundaries, which would then enable the minister to start afresh without breaking that promise?

**Mr G.M. CASTRILLI:** In this term of government, it is voluntary reform. What cabinet decides or what any future government decides is up to a future government. I am not going to enter into any discussion of what may or may not happen. All I can tell the member is that in this term of government, it is a voluntary reform.

**The CHAIRMAN:** I think the member is getting outside the budget, so I would like to move on at this time.

**Mr M.P. MURRAY:** Notwithstanding the Chairman's ruling, I would like to ask a further question on that issue, please.

**The CHAIRMAN:** The member for Collie–Preston can ask a further question.

**Mr M.P. MURRAY:** Again, my question relates to page 727, and to the \$16 million that has been expended. I do not expect the minister to have this at his fingertips, but, as supplementary information, would the minister be able to provide us with a breakdown of which shires and which councils that money went to?

**Mr G.M. CASTRILLI:** Is that all the money we have spent to date?

**Mr M.P. MURRAY:** Yes, by way of supplementary information.

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**Mr G.M. CASTRILLI:** I can tell the member for Collie–Preston now if he wants to know.

**Mr M.P. MURRAY:** Is that where the whole \$16 million went?

**Mr G.M. CASTRILLI:** Yes.

**Mr M.P. MURRAY:** I do not think we want to waste the time of the estimates committee listening to the minister account for every cent.

**The CHAIRMAN:** Can the minister provide that as supplementary information, and is he clear on what he is to provide?

**Mr G.M. CASTRILLI:** The information I will supply will be the total amount of money spent on structural reform and capacity building from the beginning of 2009, when we started this, to 30 April this year. We have those figures.

**Mr E.S. RIPPER:** With a breakdown, because we have the total already in the budget papers.

**Mr G.M. CASTRILLI:** I will give a breakdown.

*[Supplementary Information No B33.]*

**Mr J.J.M. BOWLER:** Service 2 on page 727 deals with local government assets, which are quite considerable, as we know.

**Mr G.M. CASTRILLI:** I am sorry; what was that?

**Mr J.J.M. BOWLER:** It is service 2 on page 727—maintaining a substantial portfolio of assets that local government does. What measures are in place to ensure these assets are properly reported and managed?

**Mr G.M. CASTRILLI:** The Australian accounting standards allow options of reporting on assets and liabilities in general-purpose financial statements in either cost of assets or fair value costing. Historical costs are widely used, but that does not reflect the current value of local government assets and liabilities. Reporting the assets and liabilities at a fair value is, I think, considered to provide a more accurate measure of the value of community assets and liabilities than do the historical costs. I think fair value is also essential for good asset management practices and the really robust long-term financial planning that local governments need to do with the value of the assets and their associated maintenance, renewal and replacement costs. When local governments look at assets and liabilities at fair value, they can identify what is the long-term sustainability of local government, and long-term sustainability can be addressed. When fair value accounting is used by local governments, it is not really clear as to what extent it is applied and in what sort of comprehensive manner it is applied. However, its application is always allowed by applicable standards.

Fair value accounting was developed in conjunction with our finance working group, which comprises the department and industry representatives, and its policy paper supported the mandating of fair value accounting in financial reporting. I supported that position, and I released a policy paper on 2 December 2011. On 20 April, the Local Government (Financial Management) Regulations 1996 were amended to mandate the use of fair value accounting. That will be phased in over a three-year period; therefore, local governments will have enough time to revalue their assets so that all assets are reported by fair value accounting by the end of June 2015. Those assets will also be required to be revalued every three years. The policy paper makes it really clear that the real value of assets is based on fair value. Local governments may do this as part of their insurance renewal plans, so they do not have to bear the cost of independent valuers. They can do that when they go through their insurance processes. By mandating that fair value approach, a consistent approach will be provided to valuing assets and reporting on those asset values. It also will more accurately reflect the value, so that we will be able to compare apples with apples, so to speak, right across the local government sector.

**Mr J.J.M. BOWLER:** The minister may be aware of the issue of the Goldfields Arts Centre and the ownership thereof. It is a three-way triangle between Curtin University of Technology–TAFE, the Kalgoorlie–Boulder city council and the state government. One of the matters raised by the city council was that if the ownership of the Goldfields Arts Centre were to transfer to the council, it should come with a \$9 million account—it is a bit over \$9 million—to be placed into a sinking fund because the new asset management plans demand that. I checked with the Western Australian Local Government Association and the minister’s office and both said that asset management plans are just that—asset management plans. I do not mean that we have to have a sinking fund for every asset. That would be illogical and almost impossible to do, particularly given that there are Victorian town halls around the state, the replacement of which would cost hundreds of millions of dollars. So what is the case? Is the City of Kalgoorlie–Boulder right that there should be sinking funds for assets, or is it more a case of simply having an asset management plan for the longer term?

[7.30 pm]

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**Mr G.M. CASTRILLI:** Local governments need to have an asset management plan for the long term so that they can at least identify exactly what the true cost is of running their business, if you like, and what the replacement value of assets will be in the long term. A lot of local governments do not know that and this process gives them at least that indication or understanding of the true cost. The easiest thing to do is build things; the hardest thing to do is maintain them and replace them at the end of their useful lives. There are options for local governments to access the country local government fund and that sort of thing for their asset value, but at least an asset management plan gives them an understanding of exactly what it means for them.

**Mr J.J.M. BOWLER:** Does the state government have the same criteria for its own assets?

**Mr G.M. CASTRILLI:** I am interested in local government, member for Kalgoorlie.

**Mr J.J.M. BOWLER:** The minister is a member of the state government!

**The CHAIRMAN:** Not quite a budget question, thank you, member for Kalgoorlie.

**Mr E.S. RIPPER:** I refer to the “Efficiency Dividend” line item that is also described elsewhere in the budget papers as “Contribution to Responsible Financial Management”.

**The CHAIRMAN:** Sorry, member for Belmont, which page are you on?

**Mr E.S. RIPPER:** I refer to pages 725 and 726. Can the minister outline to the committee how his agency intends to meet that efficiency dividend of \$380 000 for the forthcoming budget year? Can the minister, for example, say whether he will simply manage his vacancy rate to achieve that \$380 000 saving?

**Mr G.M. CASTRILLI:** The director general will look at her whole department and operations. She will then come up with some options or a way forward to provide that efficiency dividend. I presume that the director general will then come to me and I will sign off on that. But that is something that the director general will look at to fit in with the efficiency dividend that we require.

**Mr E.S. RIPPER:** When the government decided on the efficiency dividend, did the department or the minister put options before the Economic and Expenditure Reform Committee for the implementation of the efficiency dividend, or was the minister simply told that he would have to meet it through unspecified measures?

**Mr G.M. CASTRILLI:** That is a budget matter considered by cabinet —

**Mr E.S. RIPPER:** This is a budget committee!

**Mr G.M. CASTRILLI:** I do not discuss what happens in cabinet, as the member well knows. That is a decision of government and that is what we adhere to. I think that we are being very responsible in looking for economies and efficiencies, and that is what we will continue to do.

**Mr E.S. RIPPER:** When will the minister know what measures the department has undertaken to meet this \$380 000 efficiency dividend? At what stage will the minister be able to advise Parliament how he has met this \$380 000 efficiency dividend?

**Mr G.M. CASTRILLI:** I suspect that it would be in readiness for the 2012–13 budget or very soon after that.

**Mr E.S. RIPPER:** Is the minister suggesting that we have to wait a year before we find out?

**Mr G.M. CASTRILLI:** No, sorry, the 2012–13 —

**Mr E.S. RIPPER:** The 2012–13 budget, so at the beginning. By midyear or by the beginning of the next session of Parliament, the minister should be able to advise us how he will meet this efficiency dividend.

**Mr G.M. CASTRILLI:** I should be in that position, with the director general looking at the options to come back with the efficiency dividend and how we will achieve it.

**Mr M.P. MURRAY:** I refer to the line item “Build the Strategic Capability of the Local Government Sector” on page 726. I see that the figures from 2011–12 to 2012–13 have dropped by approximately \$7 million and that is repeated on page 728. What services have been cut to drop \$7 million out of that?

**Mr G.M. CASTRILLI:** Member for Collie–Preston, no services have been cut. It reflects the position we were talking about before about the repositioning of the \$3.625 million and the \$1.44 million, and also there is a \$1.6 million payment that was made for the Geraldton–Greenough amalgamation.

**Mr M.P. MURRAY:** Further on that same line about the capability of councils, can the minister advise us whether his department is investigating bullying issues, staff leaving and large increases in sick leave in one part of this—that is, the City of Albany?

**Mr G.M. CASTRILLI:** Member for Collie–Preston, I am very concerned with the current workplace issues at the City of Albany. I think it is essential that the City of Albany’s elected members and CEO move quickly to

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resolve those issues before they impact negatively on the city's services to its community. The Local Government Act 1995 does not confer on me any power to directly intervene in workplace matters, as the member would probably know. However, if I believe that the city is becoming dysfunctional, I will take immediate steps to intervene. I continue to take a very strong and close interest in the City of Albany. I can tell members, as they all know, that the City of Albany has been through some very harrowing issues over the past few years. The difficulties it has had have been very well publicised. I have taken a very supportive approach to the City of Albany and I have encouraged the city to take positive steps to address a range of things, which it has, so I do not want it to revert to the bad old days, if you like. The people of Albany do not expect that and neither do I; I do not want to stand for that. The City of Albany has appointed an independent human resources consultant to look at those issues and hopefully they will be sorted out very, very quickly so that the city can move on. As I say, the City of Albany has been through a fair bit and I do not want it to revert to any past practices that it had.

**Mr I.C. BLAYNEY:** I refer to the first dot point under "Significant Issues Impacting the Agency" on page 727. What tangible benefits have been identified from the funding provided to local governments that are engaged in structural reform?

[7.40 pm]

**Mr G.M. CASTRILLI:** Over the years significant reports have examined the sustainability of the sector, all of which identified the need for local government reform. In 2010, the local government steering committee identified—at that time there were 139 local governments across Western Australia—that 44 per cent of local governments were not sustainable into the future.

Also, 82 per cent lacked adequate long-term integrated asset and financial management planning.

The reports also noted that the inefficiencies flowing from the current structures of local government were now impacting on areas beyond the sector, particularly in planning and development. In order to facilitate the social wellbeing of communities and the growth of local economies, we responded by committing to a program of voluntary reform to create fewer, stronger, more sustainable local governments. The state government has spent \$8.1 million during this term of government on voluntary structural reform, one of the results of which has been the amalgamation of the City of Geraldton–Greenough and the Shire of Mullewa into the City of Greater Geraldton. There has been the completion of comprehensive regional business plans for regional transition groups, which comprise 16 local governments; and there are five regional collaborative groups comprising 23 local governments. The benefits of the amalgamation that created the City of Greater Geraldton are widespread and include Mullewa being involved in the national broadband rollout, the expansion of safety and security programs for the residents of Mullewa, a dedicated place manager for Mullewa residents, and improved record management practices and compliance reporting. The regional business plans undertaken by the regional transition groups and the regional collaborative groups involved a comprehensive analysis of their business. They demonstrated the potential savings and opportunities for new and enhanced services both in economic and community development areas from road construction to maintenance to planning to compliance and improved infrastructure. Examples where savings can be made have been identified, and there has been widespread identification of areas for improvement.

The RCG model examines the shared service arrangements for geographically remote local governments, where amalgamation is not viable. As I said, 23 local governments participated in those collaborative groups, and they identified many areas where resources could be shared, including information technology, human resources, workplace planning, financial services, waste management and asset management. The Gascoyne group identified potential savings of \$377 000 per annum by removing duplication, thereby reducing operating costs, and the Pilbara RCG is implementing key recommendations identified through its regional business plan. The long-term sustainability of local government is basically what it is all about.

**Mr J.J.M. BOWLER:** Just on that same topic, I am staggered at how many local governments have survived for 100 years, but suddenly this report says they are all going to go broke. Why?

**Mr G.M. CASTRILLI:** For the past 100 years nothing much has changed in local government. When we did the analysis, we found that 77 per cent of local governments did not have long-term strategic financial planning; 81 per cent of local governments had no or very limited planning to address asset management requirements; 82 per cent of local governments do not undertake any financial planning to identify asset gaps; 36 per cent of local governments undertook limited or no long-term strategic planning; and about 60 per cent—odd—I do not remember the figure exactly—spent about 80 per cent of their rates income on governance, which left them no discretionary capacity to do anything else, basically. That is the state of local government, and that is what I am trying to improve. The 2006 report of the Local Government Advisory Board mentioned the same thing; the Western Australian Local Government Association Systemic Sustainability Study report said the same thing; the

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Australian Centre of Excellence for Local Government has talked about need for reform; and the draft findings of the Metropolitan Local Government Review mentioned the same thing. That is the state of local government. I am trying to improve the capacity of local government in Western Australia so that it can provide better, more efficient services to the community.

**Mr J.J.M. BOWLER:** I am on the record as supporting amalgamations and being involved in them from a community point of view in Kalgoorlie-Boulder, and as a former minister. But, bigger is not always better, as the member for Belmont will tell the minister about the Office of Shared Services. Sometimes bigger just creates more inefficiencies and more bureaucracy.

**The CHAIRMAN:** Member, that was not a question, and I would like to keep it to questions.

**Mr M.P. MURRAY:** What thought process allows the minister to think that putting together two councils that are not sustainable will make them sustainable, especially in some of the country regions where the tyranny of distance will make it more expensive, not cheaper?

**Mr G.M. CASTRILLI:** What page is the member talking about and what dot point?

**Mr M.P. MURRAY:** It does not matter, but —

**Mr G.M. CASTRILLI:** Tell me if there is a reference.

**Mr J.N. HYDE:** It is a follow-on from the first dot point on page 727 that we have been discussing.

**Mr M.P. MURRAY:** If two bad eggs are put into the bottom of a bowl, they are still bad.

**Mr G.M. CASTRILLI:** I understand. The regional business plans that were conducted by those local governments actually identified savings that can be redirected into better service delivery. The regional business plan of Koorda, Mt Marshall and Trayning identified potential savings of \$529 000 per annum, which could be used to increase organisational and strategic planning capabilities, provide a greater focus on community and local economic initiatives, increase organisational capacity for workforce planning, provide resources to support information technology and communication needs, increase services in engineering and asset management, and give a greater capacity for lobbying other levels of government. Although all that had been identified, two of them decided not to proceed with the amalgamation.

**Mr J.N. HYDE:** After a democratic plebiscite of the members, and the minister took their funding away. How can they have a chance when the minister took away their funding?

**The CHAIRMAN:** Member for Perth, you have not sought the call.

**Mr J.N. HYDE:** I have tried to seek it a number of times, and there is usually some leniency to the shadow minister.

**The CHAIRMAN:** Member, you have not indicated that you wish to ask a further question on this topic, and the minister was speaking and he should finish his answer. If you seek a further call, you can have it.

**Mr G.M. CASTRILLI:** For the member for Perth's information, that group of councils I referred to did not conduct a poll.

**Mr J.N. HYDE:** No what?

**Mr G.M. CASTRILLI:** No poll was requested, because they did not get that far. Has the member got that?

**Mr J.N. HYDE:** What did the residents of Koorda say?

**The CHAIRMAN:** Member for Perth, are you asking for a further —

**Mr G.M. CASTRILLI:** The councils made that decision. It was Trayning and Koorda that made that decision. For Cuballing, Narrogin —

**Mr J.N. HYDE:** And you still took their funding away midway, did you not?

**The CHAIRMAN:** Member for Perth, this is not a conversation between the two of you.

**Mr G.M. CASTRILLI:** Is that a question?

**Mr J.N. HYDE:** The minister was inviting an interjection so I took the bait—my apologies!

**The CHAIRMAN:** Member for Perth!

**Mr G.M. CASTRILLI:** Just to carry on from the member for Collie-Preston's question, the regional business plan of the Shires of Cuballing, Narrogin and Wickepin and the Town of Narrogin identified potential financial savings of \$550 000 per annum to be invested in the areas of road construction and maintenance, asset

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management planning, community grants, human resources, financial management, improved service delivery in planning approvals, provision of a better range of services, support for community groups, asset management of key community infrastructure, and appropriate planning outcomes for the region. Three of them are proceeding because Wickepin decided it did not want to be part of it and pulled out. If the member is talking about the evidence, maybe he is talking about local governments that are not sustainable, but I mention again the situation with the Cities of Nedlands and Subiaco. KPMG did a complete business plan for them, like a mergers and acquisitions-type paper. Correct me if I am wrong, but I think there would have been about 28 000 people in the new entity, and KPMG said that in operational savings alone—not asset rationalisations or anything else—they would save a minimum of \$3.1 million to \$4.4 million per year by amalgamating. Subiaco decided to not proceed; it did not go out and provide that report to the community before it voted. It decided at a council meeting to not proceed with the amalgamation, even though KPMG said—I suspect that nobody would question the quality of KPMG —

[7.50 pm]

**Mr J.N. HYDE:** Of course they do! Look at its record in the global financial crisis!

**Mr G.M. CASTRILLI:** They could have saved anything up to \$4.4 million in operational savings. KPMG also said that if they wanted to reduce rates they could, but that is just another example of —

**Mr M.P. MURRAY:** But it is just all paperwork.

**The CHAIRMAN:** I think there are a number of members who would like to ask some new questions. The member for Perth has been waiting longest, so the new question will go to the member for Perth.

**Mr J.N. HYDE:** Further to that issue, I refer to the first point on page 727. The minister has spent more than \$20 million on reform, and an awful lot of time talking about the benefits and efficiencies and so on, yet out of 140 councils he can cite only two that have come together. In respect of the minister's poster boys at the City of Geraldton, by how much have the rates in Geraldton decreased since all these alleged efficiencies have been put in place?

**Mr G.M. CASTRILLI:** How would I know what its rates are?

**Mr J.N. HYDE:** The minister is the one who is saying that these efficiencies work!

**Mr G.M. CASTRILLI:** It is not about rates, member for Perth. The member's question was about spending so much money on local government reform. Since February 2009, we have spent \$18.2 million on reform, in two component parts. Let us remember that this is not just about amalgamations or structural reform; it is about capacity building as well. We have spent \$8.1 million on local government structural reform to progress local government reform submissions; five regional transition group regional business plans, comprising 16 local governments; five regional collaborative group business plans, comprising 23 local governments; amalgamation funding for the newly created City of Greater Geraldton out of the City of Geraldton—Greenough and the Shire of Mullewa; and the proposed amalgamation of other local governments. We have spent about \$8.2 million on capacity building.

**Mr J.N. HYDE:** I know; the minister has mentioned this three times. The issue is: where are the efficiencies? Where are the councils that are not increasing their rates by less than the consumer price index, if there are genuine efficiencies? There is none, and that is why the councils are not amalgamating. There are no real efficiencies. It is ratepayers who have to get the benefit, and they are not getting any benefit out of this whole reform process.

**The CHAIRMAN:** Member for Perth, I just ask you to ask a question, not make commentary. Minister, the question has been asked.

**Mr G.M. CASTRILLI:** What I am trying to do in respect of local government reform is to increase the capacity of local governments to be more efficient and more economical so they can then deliver better and more efficient services to their communities. That is what I am trying to do. If they do not have the capacity to do that, the rates will never decrease or even stabilise. I am not suggesting that they should decrease rates or anything else; it is up to local governments to decide what they want to do with any potential identifiable funds and put them into better services, or whatever they want. It is about building the capacity to do more for the amount of money they are getting; that is what I am trying to do for local governments. I am not saying that they have to reduce rates or anything like that. This is about building the capacity of local governments to deliver better and more efficient services to their communities.

**Mr E.S. RIPPER:** I take the minister again to the top of page 727. The minister has spoken passionately about local government reform and it is clear that he personally holds the strong view that councils should be amalgamating. The government has spent almost \$20 million on his reform program. He has said that the government has made a commitment to not compel councils to amalgamate during this term of Parliament. This

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budget, of course, goes beyond this term of Parliament, so I ask the minister: when will he announce what commitment he will give on amalgamations for the next term of Parliament, should the government be re-elected? Will he give a commitment to announce his position on forced amalgamations prior to the next election?

**Mr G.M. CASTRILLI:** Member for Belmont, that is a decision of government. As the member well knows, that is a decision that cabinet will make or that any future government will make, for that matter. I have said consistently that, during this term of government, it is a voluntary process. The member should bear in mind that some people on his side probably agree with me, and —

**Mr E.S. RIPPER:** We have a policy and we announced it.

**Mr G.M. CASTRILLI:** I can see the smirk on the member's face, because I know very well that a fair number of the member's party —

**Mr M.P. MURRAY:** Come on, I think our constituents deserve better than that. They deserve to know what is going to happen in the future.

**Mr G.M. CASTRILLI:** The member knows how policies work and how cabinet works, so I repeat that for this term of government, it is a voluntary reform, and that is why we are spending money to increase capacity. Members should not forget the capacity-building side of local government, because whether they reform or not, there will be enormous benefits. At least they now know about asset management, financial management and the true cost of running a business, or they will do when they get it all together. At least they understand that now, whereas they did not understand before. As far as I am concerned, it has been a fantastic investment to just build the capacity of local government. As I said, our policy is that it will be voluntary reform for this term of government. What future governments do is up to future governments to decide.

**Mr E.S. RIPPER:** Let me get this clear: the minister is refusing to say before this committee what his policy will be if re-elected; and, moreover, he is refusing to say whether he will tell us before the next election what his policy is going to be after the next election, should his government be re-elected. Why will he not give a commitment to announce before the next election what his policy will be on forced amalgamations?

**Mr G.M. CASTRILLI:** As the member for Belmont knows, policies will be decided in good time and when appropriate.

**Mr E.S. RIPPER:** It is within the minister's power right now to say, "I'm not sure what the policy will be, but I will give a commitment that we will tell the public of Western Australia, before the election, what our policy will be". Right now he is refusing to give a commitment to say what his policy will be before the next election, and that is a pretty extraordinary position.

[8.00 pm]

**Mr G.M. CASTRILLI:** Policies will be announced in due course, when it is the right time and place to announce them.

**Mr E.S. RIPPER:** Is the minister giving a commitment to announce those policies before the election?

**The CHAIRMAN:** Member for Belmont!

**Mr G.M. CASTRILLI:** Policies will be announced in due course, at the right time.

**Mr E.S. RIPPER:** So the minister is refusing to commit to make a decision before the election?

**Mr G.M. CASTRILLI:** It will be a decision of government, which I am part of, but not the only part.

**Mr A.J. SIMPSON:** I refer to the third dot point on page 727 under the heading "Significant Issues Impacting the Agency", which refers to streamlining compliance. The report of the Red Tape Reduction Committee, "Reducing the Burden", identified potential savings for the local government sector of almost \$2.2 million by focusing local government compliance returns on specified problem areas. Can the minister tell us what steps have been taken to address red tape issues?

**Mr G.M. CASTRILLI:** Since 2000, local governments have been required by legislation to complete a compliance audit return and submit it to the Department of Local Government by 31 March each year. That Red Tape Reduction Group report, which was issued in 2010, prompted a review of the compliance audit return, and that review identified areas that could be deleted by removing questions on areas of compliance that were already audited in other ways. In 2010, the compliance audit report was subsequently reduced in size from 33 pages to 27 pages. A compliance audit review working group, comprising local government sector representatives and departmental officers, met during 2011 and recommended a further reduction in compliance areas covered by questions in the compliance report. I introduced those amendments to the Local Government (Audit) Regulations, they were gazetted on 30 December 2011, and that reduced the areas of compliance covered

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by the compliance audit report to those matters that we believe are of considerable high risk. That resulted in a reduction in the size of the 2011 audit report from the previous 27 pages to eight pages. That resulted in an overall total reduction to local government of 77 per cent. I am thinking about proposing further complementary changes to the audit regulations in 2012 to expand the role of local government audit committees. It is proposed that the role of those audit committees will additionally encompass the annual review areas of risk management, internal control and legislative compliance.

[Ms L.L. Baker took the chair.]

**Mr J.N. HYDE:** Minister, again referring to that first dot point on page 727 regarding the local government reform strategy, with \$20 million more spent since 2009, the minister made the comment, in response to the last question from the member for Belmont, “Whether they reform or not, there have been some great benefits—at least they know about the asset management capacity of local government”, and so on. That is a very sensible outcome, one would think, out of a process. Why, then, has the minister discriminated against so many councils by pulling their funding the moment it has been impossible for them to end up with, in effect, a forced amalgamation? Why did the minister deny funding to more than 150 councils that were not able to apply for funding, or that were told by the minister’s department that they cannot apply, because it was not possible for them to amalgamate with their neighbour? Some councils quite honestly wanted to amalgamate but their neighbour did not, yet the department refused to give them funding to do this really important work that the minister has referred to about asset management, long-term planning and so on.

**Mr G.M. CASTRILLI:** If local governments put up their hand for reform but were blocked from reform because their neighbours were not interested in reform, they still received assistance from the government. It was only those councils that refused or did not want anything to do with the reform that did not get the funding. The department’s policy to access money is very clear. It is also in line with the commonwealth guidelines that were agreed to as part of securing local government reform funds. Funding was provided to those local governments participating in structural reform through voluntary amalgamation or, in defined remote areas, in the provision of shared services. Funding was also supplied to those local governments that were impeded from amalgamating. Those eligible local governments have been assisted with the preparation of regional business plans and capacity-building grants for things like strategic planning, asset management planning and financial management planning, and they will also be assisted with workforce planning. So that is what it is about.

**Mr J.N. HYDE:** Further to that, minister, in the original agreements that a number of councils signed for that funding, with strategic planning, asset management planning and financial management planning, there was no requirement that they had to pursue a direct amalgamation. To how many councils has the minister refused to give funding, or from how many councils has he taken funding away, during this process, and why? I will give the minister an illustration. I have had many emails and discussions from local government chief executive officers and shire presidents around the state. This email states —

The Minister for LG has made grants of approx \$150k to each council that ticked ‘yes we are prepared to amalgamate’ in their Reform Submission required by the Minister back in 2009. They could use it for any planning processes such as asset plans, strategic plans etc.

We know that. The email continues —

Those that said ‘no’ ‘we are sustainable’ and or don’t wish to amalgamate —

That is because their neighbouring council did not want to participate —

got Nil ...

So there were about 50 councils that missed out.

**Mr G.M. CASTRILLI:** The member has said that those that were blocked from reform got nil. That is not true. The ones that were blocked from reform because their neighbours did not want to play ball, so to speak, got support.

**Mr J.N. HYDE:** So every council in the state got \$150 000?

**Mr G.M. CASTRILLI:** No, there were groupings. Regional transition group councils got money for reform, and regional collaborative group councils got money for reform; plus the ones that were impeded from reform got assistance for capacity building. So when the member says they were not given assistance, that is not correct.

**Mr J.N. HYDE:** I am a ratepayer in the Shire of Denmark. Our shire was not able to get one cent out of this. Why should we be discriminated against as ratepayers when ratepayers in other shires that ticked the box, even if they were not really going to pursue amalgamation, got the full \$150 000 out of the process?

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**Mr G.M. CASTRILLI:** To the councils that said, “We are sustainable and we want nothing to do with you”, I said, “Thank you very much; I appreciate and respect your position.” Those people still have access to all the templates, and all the master classes, which have been paid for, and other assistance from the department. All that other assistance is there for them, except that the financial assistance is not.

**Mr J.N. HYDE:** In a budget sense, some councils are getting \$150 000. What is the other assistance worth that the minister is talking about, in a budget sense?

[8.10 pm]

**Mr G.M. CASTRILLI:** It is ongoing. We have spent money on templates—asset management, financial management and strategic planning templates. They have access to those. We have master classes —

**Mr J.N. HYDE:** If they have the internet, they have access to anything. What about the real money?

**Mr G.M. CASTRILLI:** They have got that. Master classes are being conducted by Local Government Managers Australia. They have access to those.

**Mr J.N. HYDE:** Will the minister table a full list of those councils that have received the full \$150 000 or the amount that each of the 140 councils in the state has received from the reform process?

**Mr G.M. CASTRILLI:** I think I have already answered that in response to a previous question, to which I agreed to provide the amount of money that has been provided for reform.

**Mr J.N. HYDE:** Is the minister providing in that supplementary information the itemised amounts for each of the 140 councils around the state, not the global figure?

**Mr G.M. CASTRILLI:** They all got access to the business planning templates, frameworks and guidelines, operational planning, communications—there is about \$1 896 440 worth of assistance encompassing staff, supplies, business planning templates —

**Mr J.N. HYDE:** The minister has obviously got the exact figure. Therefore, can the minister give us the exact figure that each of the 140 councils received?

**Mr G.M. CASTRILLI:** Does the member for Perth want a list of councils and what they received in terms of financial support?

**Mr J.N. HYDE:** Yes.

**The CHAIRMAN:** If the minister is going to provide supplementary information, will he just repeat what he is going to provide?

**Mr G.M. CASTRILLI:** So that we are clear, the \$1 896 440 is in-kind support that those councils would be able to receive or have received.

**Mr J.N. HYDE:** Yes, I know. What we are talking about is the real money. A number of councils got the \$150 000 and some did not. Can the minister give us the itemised figure for each of the 140 councils in Western Australia, including Cocos (Keeling) Islands —

**Mr G.M. CASTRILLI:** Only about 70 councils are receiving direct grants.

**Mr J.N. HYDE:** Can we have those and the amount of money they got by way of supplementary information?

**Mr G.M. CASTRILLI:** Yes. I agree to supply by way of supplementary information the amounts of money received by those councils that have received capacity-building funding.

[*Supplementary Information No B34.*]

**Mr E.S. RIPPER:** I take the minister to the top of page 727 of the *Budget Statements* and the \$20 million local government reform strategy. Many people would consider Bunbury to be a prime case for council amalgamations for planning reasons alone. Does the minister intend to tell the people of Bunbury before the election his policy on forced amalgamations for the next term of Parliament?

**Mr G.M. CASTRILLI:** Member for Perth, what I have told —

**Mr E.S. RIPPER:** I am the member for Belmont!

**Mr G.M. CASTRILLI:** Sorry.

**Mr E.S. RIPPER:** I might be amalgamated, perhaps.

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**Mr G.M. CASTRILLI:** I am just striking first! Is that all right? Member for Belmont, I have encouraged all local governments, including the ones around Bunbury. As the member would know, the City of Bunbury wants to participate in reform but the others around Bunbury do not. I have encouraged them to look at the opportunities and possibilities of what a brand-new organisation could bring to their communities. I have asked all local governments to just investigate that opportunity. The government would then assist by providing money to get their regional business plans done, so that they could get the cold, hard facts from an independent consultant. They could then put those cold, hard facts to their people and their people could then decide. The three councils around Bunbury have refused to go that far. As from this budget there is no more government-sponsored reform, because there is no money in the budget for any new group of councils that want to participate in the reform process. If they change their mind and want to, they can come and see me and put their case, but I would have to ask for a special allocation through the budget for them to do so. Like I said, up to the end of this term of government, it is voluntary reform.

**Mr E.S. RIPPER:** Is the minister refusing to commit to telling the people of Bunbury what his policy on forced amalgamations will be after the next election?

**Mr G.M. CASTRILLI:** The policy on local government will be determined and announced in good time when we have a policy. We will put it out, just like the member for Belmont and anyone else would put out a policy. What a future government says is up to it, but the policy will be announced at a time appropriate to us.

**Mr E.S. RIPPER:** Is it time before the next election?

**Mr G.M. CASTRILLI:** It will be announced at an appropriate time.

**Mr J.N. HYDE:** Further to that, the minister just said that there is no further money in the budget for reforms or amalgamations.

**Mr G.M. CASTRILLI:** Yes; go on.

**Mr J.N. HYDE:** What is the use of the report that is coming down on the metropolitan amalgamations? If that recommends that there should be one council in Perth, the minister has said that there is no money there and that he will have to go to cabinet to request money to fund that amalgamation.

**Mr G.M. CASTRILLI:** Member for Perth, do not get fixated on one council for Perth.

**Mr J.N. HYDE:** I have ruled it out already. Why do you not?

**Mr G.M. CASTRILLI:** I know it is bugging you. You keep pushing that line—one council for Perth.

**Mr J.J.M. BOWLER:** North and south!

**Mr G.M. CASTRILLI:** As I said, the final report is yet to come to me, based on what the independent body says.

**Mr J.N. HYDE:** But it does not matter; there is no money to do anything anyway. Why does the minister not just be honest with the community of Western Australia? He will not tell us what he is going to do; there is no money to do anything.

**Mr G.M. CASTRILLI:** When I know what the final recommendation is, what the options are, what the make-up is and what the government wants to do, we will then be able to understand what resources are required. Until that time there is no point in me going to the government or anybody else to seek money when I do not know the scope, size, options or anything else.

**Mr J.N. HYDE:** The minister is one of the most experienced people in local government in this state, not only as a former Mayor of Bunbury but also from his involvement with the Western Australian Local Government Association. The minister understands WALGA and the LGA nationally. He understands these issues. He has been Minister for Local Government for nearly four and a half years. He must have an idea, a vision and leadership on the amalgamations issue. He set up the terms of interest for this review. Why can he not just tell us where he is going with it? What is the minister's preference? It is a further question.

**The CHAIRMAN:** Minister, I actually think you have answered, or not answered, that question and made your position pretty clear, so I am going to move on to the member for Geraldton.

**Mr I.C. BLAYNEY:** I refer to service 2 on the provision of effective regulation on page 728 of the *Budget Statements*. The minister would be aware of the horrific attacks on pet dogs by other dogs in recent weeks. He would also be aware of the tragic attacks by dogs on children that occurred last year in the eastern states. What is the government doing to prevent dangerous dog attacks in Western Australia?

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**Mr G.M. CASTRILLI:** I thank the member for Geraldton. The protection of the community from dangerous and vicious dogs is a priority for me and this government, and I presume it is a priority for everybody. What is this? Is there collusion over there between the member for Perth and the member for Kalgoorlie? What is going on here?

**Mr J.J.M. BOWLER:** Plans!

[8.20 pm]

**Mr G.M. CASTRILLI:** The government has been working on developing stronger protection measures for Western Australians. I have been looking at tougher penalties for those very few irresponsible dog owners whose dogs have devastating effects on others when they are not controlled safely or in a responsible manner. Like the member said, there has been extensive media coverage of this issue recently. A Mundaring family's young pet dog was mauled to death not so long ago. Worse than that was the tragic killing in Victoria of a young child in her home in a vicious dog attack. I am pleased to advise that this year I intend to introduce amendments to the Dog Act, which will increase the control of dangerous dogs by mandating the measures that an owner must take once a dog has been declared dangerous. Currently, it is up to the local government ranger to make orders should it be considered appropriate. I believe that stronger protection measures should be in place. Therefore, I am proposing that the owner will have to ensure that a restricted-breed dog or a dog that has been declared dangerous must be in an enclosure to prevent the dog escaping and that enclosure must be childproof. I am also proposing that warning signs must be provided at the premises. Signs must warn not just to be aware of dogs but also that a dangerous dog is on the premises. Dogs will also be required to wear muzzles and special collars to identify them as dangerous dogs. When a dog is out in public, it will be required to be on a lead at all times and under the control of somebody who is physically able to control the dog. I am also proposing that all restricted breeds must be sterilised. In addition, I am hoping to markedly increase the penalties for all offences in the Dog Act. In particular, I am proposing periods of imprisonment for offences where a dog attack has resulted in serious injury or death. I propose to introduce those measures to Parliament this year. This has come out of extensive consultation. The government is committed to ensuring that Western Australians are protected from dangerous dogs and irresponsible owners. I hope that my fellow parliamentarians will support that bill when it comes to Parliament.

**Mr M.P. MURRAY:** My question starts with the line item "Office of Multicultural Interests—Community Grants Program" at the bottom of page 725, then moves to "Promotion and Support of Multiculturalism in Western Australia" at the bottom of page 726 and then the fifth dot point on page 727, which states —

Western Australia is a multicultural society with 27.1% of its citizens born overseas, speaking more than 100 languages and practicing more than 100 religious faiths. The multicultural community plays an important role in enhancing the State's cultural, social and economic advantage.

What is missing there is an increase in funding to support that 27 per cent from the minister's department. I see that in 2011–12, \$4 903 000 was expended out of a budget of \$5 151 000 yet it goes down to \$5.14 million in 2012-13 from the projected budget of 2011–12. We are losing money and there is no increase in the grants whatsoever to what the minister said is a very important section of the community, and he is not funding them accordingly. Can the minister explain why there is a reduction in real terms?

**The CHAIRMAN:** I am just going to clarify which line item of the budget we are referring to. Minister, do you know which page we are referring to?

**Mr G.M. CASTRILLI:** The member started on page 725.

**Mr M.P. MURRAY:** It started from the bottom of page 725.

**Mr G.M. CASTRILLI:** That was the second line item under "Major Spending Changes".

**Mr M.P. MURRAY:** That is right. Then I moved across to the next page and the expense under "Service Summary"—"Promotion and Support of Multiculturalism in Western Australia". Then I referred to the fifth point on the next page, where the minister tells us how good those people are, yet he refuses to fund them.

**Mr G.M. CASTRILLI:** I have doubled the amount for the community grants program. That is what that line says; that is an increase of \$250 000 under "Major Spending Changes".

**Mr M.P. MURRAY:** But it has been taken from one area and moved back to the other; that is the point I am making.

**Mr G.M. CASTRILLI:** What page is the member talking about? I know that we were on page 725. What is the other page the member quoted, where he said it moves back out?

**Mr M.P. MURRAY:** It goes from 490 to 51.

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**The CHAIRMAN:** Can you just clarify where 490 appears in the budget papers?

**Mr M.P. MURRAY:** Down the bottom of page 726, under “Service Summary”.

**The CHAIRMAN:** Minister, it is in the table headed “Service Summary”.

**Mr G.M. CASTRILLI:** The amount of \$4 903 000 that the member is referring to is the estimated actual in the 2011–12 budget.

**Mr M.P. MURRAY:** A total of \$5 151 000 was budgeted for in 2011–12. This year’s budget is \$5 146 000, which is less than what was budgeted for.

**Mr G.M. CASTRILLI:** That \$4 903 000 is the total overall cost of the service. From 2011–12 to 2012–13, it has gone up by roughly \$250 000.

**Mr M.P. MURRAY:** The full budget of 2011–12 has not been expended. The minister has taken the lower figure and said it has gone up, instead of having the higher figure to say that it has gone down.

**Mr G.M. CASTRILLI:** As far as the grants for the Office of Multicultural Interests for the 2012–13 year are concerned, we will administer a total grant of \$1 583 701, which includes: Celebrate WA, \$680 000; community grants program, \$500 000, which was \$250 000; Ethnic Organisations Fund, \$200 000; Advance (WA Employment), \$104 000; a National Accreditation Authority for Translators and Interpreters component of \$49 701; and enhanced multiculturalism of \$100 000. The total grants from last year have gone up by \$250 000. They have not been cut whatsoever.

**Mr M.P. MURRAY:** It went from zero to \$250 000.

**Mr G.M. CASTRILLI:** Maybe if the member gives me the page number —

**Mr E.S. RIPPER:** It is page 725.

**Mr M.P. MURRAY:** The figure opposite “Office of Multicultural Interests—Community Grants Program” is \$250 000. It has gone from zero to \$250 000. If we go over to page 726, the third dot point under “Service Summary”, the minister took the lowest figure of \$4 903 000, estimated actual, and increased it to \$5 146 000. If we look at what was in the budget, we see it was \$5 151 000. Can the minister see where it has been reduced?

**Mr E.S. RIPPER:** There is a \$250 000 increase but total expenditure is less than last year’s budget.

[8.30 pm]

**Mr G.M. CASTRILLI:** The appropriation for the grants has not gone down; it has gone up. If we cannot explain it properly, perhaps I can provide it by way of supplementary information.

**Mr E.S. RIPPER:** The issue seems to be that there has been a policy decision to increase the grants by \$250 000 a year, but the overall program in which those grants are located shows that last year’s budget—albeit not last year’s expenditure—was \$5.151 million and this year’s budget is \$5.146 million. The community grants might have been increased by \$250 000, but the overall program for the support of multiculturalism appears to have had a very small decline. If room was made for an extra \$250 000 in community grants, something else must have been cut, and that is what we need the minister to clarify.

**Mr G.M. CASTRILLI:** Yes, the difference between \$5.151 million and \$4.903 million.

**Mr E.S. RIPPER:** No, between \$5.151 million and \$5.146 million. The budget last year was \$5.151 million and the budget this year is \$5.146 million. That is a small reduction. How can that be when there has been a \$250 000 increase in community grants? What has been cut to make room for that \$250 000?

**Mr J.N. HYDE:** The minister may want to provide the answer by way of supplementary information, just so we get this right.

**Mr G.M. CASTRILLI:** Maybe we can try to explain it to the member for Collie–Preston.

**The CHAIRMAN:** Would the minister like to supply that by way of supplementary information?

**Mr G.M. CASTRILLI:** We will try to explain it to the member for Collie–Preston. I will get my director general to explain that.

**Ms J. Mathews:** I understand that the baseline appropriation for the Office of Multicultural Interests has not changed from the 2011–12 budget to the 2011–12 estimated actual. That slight decrease is due to the way that corporate services have been allocated across the three services. There has been a slight drop in the way that corporate services have been allocated to service 3. These are corporate services such as executive liaison and corporate support. It has been allocated slightly differently.

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**Mr J.N. HYDE:** The original question was about the grants. This minister has made an offer of supplementary information. Could we have a list of all the grants? That way, there will be no debate.

**Mr G.M. CASTRILLI:** Yes, I can do that. Does the member want it for 2012–13?

**Mr J.N. HYDE:** Yes, for 2012–13.

**Mr G.M. CASTRILLI:** The member wants a list of grants in the OMI budget for 2012–13.

**Mr J.N. HYDE:** Yes. The Premier says that the forward estimates are never–never land, but it is roughly the same in the forward years.

**Mr G.M. CASTRILLI:** I have agreed to provide by way of supplementary information a list of grants that will be administered by OMI in 2012–13.

[*Supplementary Information No B35.*]

**Mr E.S. RIPPER:** I refer to the outcomes and key effectiveness indicators listed on page 727. One outcome is listed as —

A Western Australian public sector which practices the principles of multiculturalism and the empowerment of culturally and linguistically diverse communities to fully participate in Western Australian life:

Firstly, does the minister's agency monitor the number of people from culturally and linguistically diverse communities appointed to government boards and committees; and, if so, how has the government been performing in the last few years on this particular measure? Secondly, does the minister's agency interest itself in major policy issues affecting culturally and linguistically diverse communities, such as the incredible proportion of children in schools in my electorate who do not have English as a first language? Between 30 per cent and 40 per cent of the primary school populations in my electorate are in that category. Those schools are hard-pressed to deal with that issue, which has emerged in the last five years or so. I wonder whether the minister could provide an answer about what his agency does in those two issues across the public sector.

**Mr G.M. CASTRILLI:** I think the first question the member asked was about who monitors the CALD communities employed in the public sector.

**Mr E.S. RIPPER:** No; CALD members on government boards and committees. For example, have we ever had a Chinese-born person on the board of Western Power or a Vietnamese–Australian person on the Water Corporation board?

**Mr G.M. CASTRILLI:** I will have to take that question on notice.

**Mr E.S. RIPPER:** The minister may have to provide the figures as supplementary information, but does his agency regard it as one of its responsibilities to monitor that issue?

**Mr G.M. CASTRILLI:** OMI goes through a range of information and does a range of things to promote and improve access by, and equality for, CALD communities. I will get Ms Maria Osman to explain that for the member.

**Ms M. Osman:** We ask that question when people are nominated to boards and committees, and we try to investigate the outcomes of that, so we will provide as supplementary information the demographic balance on boards and committees. We work very strategically to ensure that our communities understand access to boards and committees. We email our communities when board and committee memberships become vacant. Recently, we have been very successful in getting the first south Sudanese member on the Victims of Crime Reference Group, which reports to the Attorney General. That is an enormous opportunity for that young man. He will be a very significant role model for the community, and we will use him to encourage and bridge with the community, but we also need to support him in that role. We are very committed to ensuring that we have multicultural balance on boards and committees and we work very strategically around those issues. But it will take time and we do need the data.

**Mr E.S. RIPPER:** Did I understand the minister's officer to say that, as supplementary information, the figures for government boards and committees will be provided?

**Ms M. Osman:** As I said, the data is collected by the Public Sector Commission. We have been exploring opportunities around the data. It is not the same data as in gender analysis, but we are trying to get that data so we can see the representation of culturally and linguistically diverse communities on boards and committees. The Public Sector Commission collects that data.

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**Mr E.S. RIPPER:** Does the minister's agency distinguish in this work between, if you like, major boards, such as the boards of government utilities, and the smaller ones? It seems to me that people from culturally and linguistically diverse communities are pretty much missing from the major government boards.

**Ms M. Osman:** We will have to provide that by way of supplementary information.

**Mr G.M. CASTRILLI:** I think the member for Belmont mentioned in his other question something about the English language in his area.

**Mr E.S. RIPPER:** Yes. Does the minister's agency get involved in the development of policy within government on that issue? It is a particularly pressing issue in my electorate. When I visited the primary schools in my electorate, at every one someone talked to me about the huge number of kids whose first language is not English. It has developed in recent years. The figures are very high; up to 40 per cent of the kids in many of the schools in my electorate have a first language that is not English.

**The CHAIRMAN:** Minister, before we move on to that question, there was some conversation about supplementary information that has not been finalised. Minister, are you going to provide some supplementary information?

**Mr E.S. RIPPER:** On the major boards issue.

**Mr G.M. CASTRILLI:** I will provide supplementary information on members of major boards who come from CALD communities.

*[Supplementary Information No B36.]*

**Mr G.M. CASTRILLI:** Through our Ethnic Organisations Fund, we have triennial funding for non-government organisations that assist. Three organisations have received funding from us: the Metropolitan Migrant Resource Centre; the Coalition for Asylum Seekers, Refugees and Detainees; and the Edmund Rice Centre. The Metropolitan Migrant Resource Centre has a government training package for CALD communities and their leaders. The Edmund Rice Centre has comprehensive life skills and English language programs for new migrants. The Coalition for Asylum Seekers, Refugees and Detainees has engaged 243 volunteers to support 561 students and their families to access English language tutoring, medical and housing services, and life skills training. The applications for the next round are open now. We also have the Diverse WA training package that I initiated, which is cultural competency training through the public service. As I said, those three organisations do a lot of work in assisting culturally and linguistically diverse communities with the English language and that sort of thing. We also liaise with other government departments in looking at training, drivers' licences and mental health. They are the sorts of cultural awareness programs that we have initiated. A lot of work is going on.

[8.40 pm]

**Mr E.S. RIPPER:** Is the minister engaged with the education department of Western Australia in dealing with this issue of the very large number of children who are in primary schools and whose first language is not English; and, if so, how is he engaged?

**Mr G.M. CASTRILLI:** I will get Maria to expand on that. However, we were involved in two centres in Parkwood and Koondoola in the beginning. I think at this point the education department has—Maria can correct me if I am wrong—13 education centres dealing with English as a second language. Can Maria expand on that, please?

**Ms M. Osman:** The office is engaged with the Department of Education through the Interagency Settlement Group, which covers state and federal agencies, and the Department of Education is on that. The key role of, and the reference for, that group is to look at settlement issues for newly arrived migrants. Education is involved in that, and there is an ongoing conversation around the needs of students whose first language is not English.

**Mr A.J. SIMPSON:** My question refers to service 2 on page 728, which deals with providing efficiency in regulation, and it is about the passing of the Cat Act 2011. This introduces important requirements for the management of domestic cats and the responsibility of owners of domestic cats.

**Mr G.M. CASTRILLI:** I am sorry; I can hardly hear the member.

**Mr A.J. SIMPSON:** I am sorry, minister. My question refers to service 2 on page 728, which relates to providing efficiency. I am interested in the passing of the Cat Act 2011 and the introduction of all the new and important requirements of the cat laws and the responsibility of owners of domestic cats. Can the minister advise me about the implementation of the act and what assistance will be given to low-income earners?

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**Mr G.M. CASTRILLI:** There are three elements to the new Cat Act. They are mandatory identification, sterilisation and registration. The identification of cats is considered to be a crucial element in the management of domestic cats. It enables local government authorities to distinguish between owned animals and animals that are not owned, and to return lost cats to their owners rather than euthanasing them. To support that enforcement of the act, funding will be provided on a contestable basis to assist in the establishment of cat management facilities or pounds. The funding will also support the establishment of four shared pound facilities in the metropolitan area, and also in key regional locations. I anticipate that local government and non-local government organisations such as the Cat Haven and the Royal Society for the Prevention of Cruelty to Animals will get together and put in bids for the development of such facilities. An amount of \$3.244 million has been budgeted for the total package.

When it comes to sterilisation, most cat owners act responsibly, with about 93 per cent of owned cats already sterilised. Compulsory sterilisation was supported by both cat owners and non-cat owners. An increase in the number of sterilised cats will improve the ability of local governments to deal with stray cats, and it is expected to reduce the number of unwanted cats in the community. The government is committed to reducing the financial burden on those members of our community who are less well off, and the government is providing assistance to pensioners and people on low incomes to subsidise the cost of sterilisation. Some local governments are already providing assistance and subsidies to pensioners. I encourage them to continue providing that support and to continue subsidising microchipping and sterilisation costs. Funding has also been provided in that package to assist local governments in equipping them with the gear they want to administer the legislation.

**Mr J.N. HYDE:** The outcome on page 727 states —

To build the capability of the Local Government sector to deliver economic and social services to communities:

Of course, as the minister would be aware, most councils do that by levying rates. Is the minister aware that within the Shire of Denmark, the state government currently pays approximately \$75 000 in rates for the department-owned housing through the state Department of Housing; and is the minister aware that by transferring the ownership of this government-built housing to not-for-profit organisations, these same dwellings become rate exempt? What assistance will the state government provide to councils such as the Shire of Denmark to compensate for this loss of rates?

**Mr G.M. CASTRILLI:** Member for Perth, that whole area is the Minister for Housing's responsibility. I think the member should ask him that question, quite frankly.

**Mr J.N. HYDE:** The minister's own outcome on page 727 says that it is the minister's responsibility to build the capability of the local government sector to deliver economic and social services to communities. Now the minister is taking away the government's ability to pay rates.

**Mr G.M. CASTRILLI:** Our capability measure was developed across four key areas, member for Perth, and they were about strategic community planning, asset management, financial management and workforce planning. The result of the 2011 assessment was that 1.4 per cent, or two local governments, met the basic requirements across one of those four areas, and 33.8 per cent of local governments met the basic levels across those four areas. That is the capacity-building index that we are talking about in what the member is referring to.

**Mr J.N. HYDE:** No. Can the minister not understand that he is decreasing the capacity of the government to pay rates? At the moment, the state government is paying \$75 000 in rates for real houses in Denmark. By the minister switching the ownership and giving it to not-for-profit organisations, he is removing that rates income for those same services that the Shire of Denmark provides. This is happening all around the state.

**Mr G.M. CASTRILLI:** Page 720, or whatever page it was that the member for Perth mentioned, has nothing to do with what the member is talking about. That is about the capability index of local governments across those four areas that I am talking about. They are specific performance measures.

**Mr J.N. HYDE:** How can there be a capability for councils to deliver economic and social services to communities if the state government is not paying its rates? It is a direct cost shift from the state government to local councils.

**Mr G.M. CASTRILLI:** The question of housing is one for the Minister for Housing; okay?

**Mr J.N. HYDE:** The question of rates —

**Mr G.M. CASTRILLI:** I repeat again that that capability index is based on those four elements and the capabilities of local governments in those areas.

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**Mr J.N. HYDE:** What does the third line say? It says —

Improvement in local government's capability to enable the fulfilment of their responsibility to their communities:

How can they meet their responsibilities and how can they meet these capability elements at a basic level if the state government is not paying the rates anymore for properties that it owns?

**Mr G.M. CASTRILLI:** Every year, every local government sets its own rates. They have their own budgets, and they have the capacity, within the current incomes and outgoings, to set their budgets. Those capability measures that we see on that page relate to those capability measures of local governments. Housing is the responsibility of the Minister for Housing. It has nothing to do with those capability indexes that appear on that page there. It is a different interpretation as far as I am concerned.

**Mr J.N. HYDE:** So the minister does not care. That is the short answer. You are the Minister for Local Government!

**Mr G.M. CASTRILLI:** Do not —

**The CHAIRMAN:** Members! Member for Perth, I understand that we have probably come to the end of this. The minister has referred the member to another minister for a response, so I think we should move on at the moment.

[8.50 pm]

**Mr G.M. CASTRILLI:** I just want to put on the record: do not ever say that I do not care. Do not start putting words into my mouth or interpretations of what I as the minister believe in terms of local government.

**Mr J.N. HYDE:** The minister is taking away their ability to rate!

**Mr G.M. CASTRILLI:** Just do not do it!

**Mr J.N. HYDE:** The minister has had letters from that council and other councils, and he is giving them no understanding.

**Mr G.M. CASTRILLI:** I cannot help it if the member has a different interpretation from what I have of that section.

**Mr J.N. HYDE:** The minister does not. He is not even making an effort. The minister is saying, "Handball: go to Minister Buswell." The Minister for Local Government does not care.

**Mr E.S. RIPPER:** Quite some time ago, the minister answered a question about his concerns about the City of Albany. That moves me to ask: in the past financial year, how many other councils has the department had to concern itself with on substantial issues? I have to give the minister a reference. I refer to service 2, "Strengthen Good Governance in the Local Government Sector and Provide Effective Regulation". Could the minister provide us with a list of all the councils that the department has had to take action on with regard to this service? If someone rings up with a complaint about the enforcement of the Dog Act, I do not want to see that on the list. How many councils have got into trouble, if you like?

**Mr G.M. CASTRILLI:** I understand what the member is talking about. There are two key areas. We completed probity audits on the Shire of Toodyay, the Shire of Chapman Valley and the Town of Narrogin. We are also currently conducting a formal inquiry into the City of Canning. I will ask Brad whether he wants to elaborate on those, or any others, for the member.

**Mr E.S. RIPPER:** What I am really looking for is a list of councils against which substantive inquiries are currently underway.

**Mr G.M. CASTRILLI:** That is it, as far as I am aware.

**Mr B. JOLLY:** The minister is correct. Currently, an authorised inquiry under part 8 of the Local Government Act is being carried out into the City of Canning. In addition to that, as the minister has already mentioned, three probity audits were conducted during the course of the year. As it stands right at this point in time, the only formal inquiry being conducted under part 8 of the act is at the City of Canning.

**Mr E.S. RIPPER:** If I could ask a follow-up question, minister —

**Mr J.J.M. BOWLER:** I have a point of order. The opposition may have some input into this. Are there any specific time lines for the consideration of this division, bearing in mind that there are two more divisions to go? Were we planning to finish this division at nine o'clock and have half an hour each for the National Trust of Australia (WA) and the Heritage Council of Western Australia, or will it just flow through?

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**Mr G.M. CASTRILLI:** That is my understanding.

**Mr J.N. HYDE:** We will see whether we can progress on these local government issues with succinct answers and good questions.

**Mr A.J. SIMPSON:** When are we going to get to ask questions on heritage?

**Mr J.N. HYDE:** I know; I have got so many. The government has restricted us to just three hours for these very important portfolio areas.

**The CHAIRMAN:** I note that we have staff here from the other two divisions.

**Mr J.J.M. BOWLER:** Maybe we should aim to finish in another 15 minutes. Is that fair enough, member for Perth and member for Belmont?

**Mr J.N. HYDE:** We will see how we go. We will try to get done as close to nine o'clock as we can.

**The CHAIRMAN:** Member for Belmont, would you like to rephrase that question?

**Mr E.S. RIPPER:** The minister's department also deals with complaints against individual councillors. How many of those complaints has the department dealt with in the last financial year?

**Mr G.M. CASTRILLI:** I think, from memory, it is about 200 and —

**Mr E.S. RIPPER:** Two hundred!

**Mr G.M. CASTRILLI:** No, I think that is the number of complaints. Maybe I have got figures from the wrong area mixed up in my head, member for Belmont! We will soon find out.

**Mr E.S. RIPPER:** I think we just created a news story!

**Mr B. JOLLY:** The department has dealt with a number of complaints over the course of the year. It is projecting to complete about 200 complaints in total over the course of this year. Within that, the number of complaints deal with different provisions under the act. Certainly, some of those complaints are dealt with by the Local Government Standards Panel, which deals directly with alleged breaches of the rules of conduct regulations. I suspect that may be the focus of the member's question. During the course of the current financial year until 29 February, which was the point at which the term of appointment of the previous standards panel expired, the panel had dealt with 36 complaints, involving a total of 57 allegations.

**Mr E.S. RIPPER:** When the officer said that the department was dealing with 200 complaints, would that involve 200 councillors or two complaints for 100 councillors? How many individual councillors would have been the subject of complaints dealt with in one way or another by the department? I am really asking the minister this question and hopefully he will give the officer the chance to answer.

**Mr B. JOLLY:** A number of the complaints that are made may relate to the same councillor. Again, I will use the example of the Local Government Standards Panel, which deals directly with breaches of the rules of conduct. Although 36 complaints were finalised during that period from 1 July through to 29 February, that is not necessarily to say that involved 36 different councillors. It may have been that multiple complaints were directed towards one councillor. I do not have the information available to identify —

**Mr E.S. RIPPER:** Can we, as supplementary information, have the number of individual councillors who were the subject of complaints that were dealt with by the department in one way or another?

**Mr G.M. CASTRILLI:** I have agreed to supply by way of supplementary information the number of councillors —

**Mr E.S. RIPPER:** Individual councillors.

**Mr G.M. CASTRILLI:** The number of individual councillors who have been subject to a complaint.

**Mr E.S. RIPPER:** Dealt with by the department, obviously, on the basis on which the officer was talking.

**Mr G.M. CASTRILLI:** The number of councillors who have been subject to a complaint and been dealt with.

[*Supplementary Information No B37.*]

**Mr W.J. JOHNSTON:** I refer to service 2, "Strengthen Good Governance in the Local Government Sector and Provide Effective Regulation", on page 728. How many times has the Minister for Energy written to the Minister for Local Government regarding the underground power project and the system of issuing special rates notices to people who are paying for the underground power project? What issues led the Minister for Energy to seek the Minister for Local Government's assistance and what effect does that have on the funding of the underground power project?

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**Mr G.M. CASTRILLI:** I cannot answer off the top of my head whether the minister has written to me at all. Therefore, I have to take that question on notice. Obviously, I cannot keep thousands of bits of correspondence in my head. Does anybody else know?

**The CHAIRMAN:** Would the minister like to provide that as supplementary information?

**Mr G.M. CASTRILLI:** Maybe Mr Jolly can answer that.

[Mr M.W. Sutherland took the chair.]

**Mr B. Jolly:** I do not have the information available to me of the number of times that the Minister for Energy has communicated with the Minister for Local Government. What I can say is that in the amendment bill that progressed through Parliament earlier this year, a number of amendments were made that related to the charges applicable to underground power. In effect, those amendments effectively dealt with sections 6.37 and 6.38 of the Local Government Act. Section 6.37 is a provision of the act that was not intended to be used for the purpose of recovering charges for underground power but that had been used previously by some local governments, so the amendment had the effect of validating those charges that had been previously levied.

With regard to section 6.38, the department had advice that the application of section 6.38 was not beyond challenge, so the amendment had the effect of clarifying the application of section 6.38. In addition to that, there was also an amendment to the act administered through the finance portfolio that deals with the ability of local governments to pass on the subsidies in relation to those charges to pensioners. Previously, they had not been able to recover those charges in relation to charges under section 6.38, so an amendment was made to that act to enable those discounts and subsidies to be applied.

[9.00 pm]

**Mr W.J. JOHNSTON:** I think the member for Belmont wants a further question on this topic, but I am also interested in a further question on this topic.

**Mr E.S. RIPPER:** Did any ratepayers avoid paying the underground power charges as a result of this doubt about the applicability of sections 6.37 and 6.38?

**Mr G.M. CASTRILLI:** Not that I am aware of, member for Belmont.

**Mr B. Jolly:** No, minister. As I understand it, no challenges had been made to the application of those rates, but given that the charges had been incorrectly levied under section 6.37, it was deemed to be prudent to make an amendment that validated the application of those charges previously. The amendment does not go so far as to enable section 6.37 to be used in the future.

**Mr E.S. RIPPER:** Is it true, minister, that this whole matter came to light because of the refusal of former federal Liberal minister Mr Geoff Prosser to pay his share of an underground power project in Bunbury, and that this refusal led to the cancellation of the project?

**Mr G.M. CASTRILLI:** I am not aware of that.

**Mr W.J. JOHNSTON:** The amendment legislation that was referred to, was it included in the minister's second reading speech that this was to eliminate the problem that councils were unlawfully collecting money in respect of the underground power project?

**Mr B. Jolly:** No. Essentially, the amendment was based on legal advice that the department had received with respect to those two provisions. So, essentially, the amendments were, as I say, made to validate previous incorrect use of section 6.37, and to remove—I guess to clarify the intended use of section 6.38.

**Mr W.J. JOHNSTON:** Could I just clarify the term "incorrect use"; does that mean unlawful use, minister?

**Mr B. Jolly:** The recovery of the charges through the use of section 6.37 was incorrectly and, I guess, unlawfully applied. That is correct.

**Mr W.J. JOHNSTON:** My final question is: so, did the minister not think it was worthwhile mentioning to the Parliament that he was actually covering over unlawful activity by councils in this regard when he brought the bill to the house?

**Mr G.M. CASTRILLI:** No, I think some councils were probably under the impression they could do it under one section, when they could not —

**Mr W.J. JOHNSTON:** But the minister's advice was that they could not.

**Mr G.M. CASTRILLI:** — and it was about clarifying the fact.

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**Mr W.J. JOHNSTON:** But the minister's advice that he had himself when he brought that bill to the house was that it was unlawful, and he never told anybody in the Parliament.

**Mr G.M. CASTRILLI:** It was about clarifying the fact of what they could and could not do.

**Mr W.J. JOHNSTON:** With respect, I just want to clarify. The department official has used the term "unlawful" —

**Mr G.M. CASTRILLI:** Yes, but —

**Mr W.J. JOHNSTON:** — and the minister never told anybody in the Parliament that he was in fact using legislation to retrospectively take money from citizens.

**Mr G.M. CASTRILLI:** My best recollection is that our legal advice was that it was best to clarify what could and could not happen under those two sections, and it was best to clarify it.

**Mr W.J. JOHNSTON:** And the minister never thought that was worth telling the Parliament?

**Mr G.M. CASTRILLI:** We put the amendments through.

**Mr W.J. JOHNSTON:** Yes, but the minister never told us that is what he was doing.

**Mr I.C. BLAYNEY:** My question is about the asset investment program of the Metropolitan Cemeteries Board, which is referred to on page 735 of budget paper No 2. Does the Metropolitan Cemeteries Board have to use the Auditor General for its audit at probably three to four times the cost of using a private accountant?

**Mr G.M. CASTRILLI:** The Metropolitan Cemeteries Board is not part of this section.

**Mr J.N. HYDE:** Minister, the second dot point on page 727 of budget paper No 2 relates to the additional investment of \$3 million in the Metropolitan Local Government Review. A very clear draft finding—not a number of options—was regarding introducing compulsory voting. What is the minister's view on that; will he or will he not introduce it?

**Mr G.M. CASTRILLI:** I will wait on the final report to come to me from the independent board, and then we will make a decision.

**Mr J.N. HYDE:** But it has given the minister its view; there cannot be anything different. What is the minister's view?

**Mr G.M. CASTRILLI:** It is an interim report, and I will wait until the final report is presented to me.

**Mr J.N. HYDE:** Is the minister happy with the recommendation?

**Mr G.M. CASTRILLI:** Do not forget, after that there will be public feedback to be considered as well.

**The CHAIRMAN:** From what I understand, we wanted to move on from Local Government to the Heritage Council; is that correct?

**Mr J.N. HYDE:** We have a couple more.

**The CHAIRMAN:** Anybody else got any questions? The member for Perth is the last cab on the rank.

**Mr J.N. HYDE:** Minister, in relation to the "Efficiency Dividend" line item on page 725 of budget paper No 2, is the minister able to detail the exact programs, projects and activities that are to be cut, and by how much and when? Clearly that would enable the minister to list a precise dividend for this year, as he has in that figure there. If the minister cannot provide it to us now, can he provide it by way of supplementary information?

**Mr G.M. CASTRILLI:** Member for Perth, I have already answered that question when it was asked by the member for Belmont; it is just about exactly the same question.

**Mr J.N. HYDE:** So is the minister going to provide it?

**Mr G.M. CASTRILLI:** No, I —

**Mr J.N. HYDE:** If the minister cannot provide it, I am asking him to provide it by way of supplementary information.

**Mr G.M. CASTRILLI:** I have already answered that question. The member for Belmont asked that question of me sometime earlier, and I have answered it.

**Mr J.N. HYDE:** What was the minister's answer? It changes every time.

**Mr G.M. CASTRILLI:** The member for Perth is the one who changes all the time. He ought to listen to what the member for Belmont asked, because it was just about exactly the same question.

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**Mr J.N. HYDE:** It was not exactly the same. Can the minister name any program that is going to be cut?

**Mr G.M. CASTRILLI:** What I said to the member for Belmont—it is not exactly the same response, but in general terms—was that the director general will be looking at operational efficiencies in terms of where she would apply the efficiency dividend, and that will then be reported to me and I will probably sign off on that. I was hoping that that would be somewhere towards the end of the year, which will be in readiness for the 2012-13 financial year.

**Mr J.N. HYDE:** That is only four weeks.

Just further to that, how can it be an efficiency dividend if the minister does not know what is efficient and what is not? The minister has just come up with a mythical figure of \$380 000.

**Mr G.M. CASTRILLI:** There will not be any impact on front-line services. The director general of the department will be looking at the areas where the efficiency dividend can be looked at. The director general will be doing that review, and then she will come back to me with that information.

**The CHAIRMAN:** Are you happy with that?

**Mr J.N. HYDE:** Very happy.

**The appropriation was recommended.**

[9.10 pm]