

Mr David Templeman; Mr Tony Krsticevic; Mr Simon Millman; Mr Shane Love; Mr Kyran O'Donnell; Mrs Lisa O'Malley; Chair; Ms Sabine Winton; Mrs Jessica Stojkovski

Division 22: Local Government, Sport and Cultural Industries — Services 1, 3 to 17, Local Government; Culture and the Arts, \$174 987 000 —

Ms S.E. Winton, Chair.

Mr D.A. Templeman, Minister for Local Government.

Mr D. Ord, Director General.

Ms J. Law, Director, Local Government Regulation and Support.

Ms N. Lethorn, Director, Executive Services.

Ms S. Sherdiwala, Portfolio Chief Financial Officer.

Mr G. Hamley, Chief of Staff.

[Witnesses introduced.]

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

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall only be examined in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number.

If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 29 September 2017. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Carine.

Mr A. KRSTICEVIC: I refer to page 376 of budget paper No 2, the heading "Outcomes and Key Effectiveness Indicators" and the line item "Outcome: Government records and the State archives are appropriately managed and accessible". I note the transfer of the state archives from the State Records Office of Western Australia, which is an independent office, to the State Library of Western Australia. Can the minister please explain why the State Records Office was established as a standalone entity under the State Records Act 2000? Is the minister concerned that this move will compromise the management of the state archives?

Mr D.A. TEMPLEMAN: I thank the member for Carine for his question. As the member would be aware, the State Records Office was created some years ago. It has an important role including reporting directly to the Parliament of Western Australia. It is essentially an oversight entity that is governed by the State Records Act. The change to locate the state archives within the State Library is administrative only. This is simply an administrative proposition. I need to highlight that there is no change to the act and no change to the function or the independence of the office and its role.

Mr A. KRSTICEVIC: The WA Inc Royal Commission into Commercial Activities of Government and Other Matters in 1990 and a Commission on Government report in 1995 explicitly rejected this sort of set-up, and stated that the state archives office needed to be independent. In its second report, the commission explicitly rejected the idea that a separate and independent archives authority could exist within the context of its parent agency at the time—the Library Board of Western Australia. It recommended that a separate public records authority under a commissioner for public records reporting to Parliament should be established. I note that the Australian Society of Archivists has grave concerns about archivists being able to do their jobs properly under the new structures. The archive was originally established under the State Library, but two reports—one on WA Inc and one by the Commission on Government—stated that that was not the right way to go. Why has the minister gone back to a structure that two previous reports indicated is wrong, because it compromises transparency and integrity?

Mr D.A. TEMPLEMAN: Member, there is no change to the structure. The State Records Commission of Western Australia operates under the act. Has there been a change to the act? No. Has there been a change to the function of the commission? No. Is it still independent and does it still report to Parliament? Yes. Nothing has

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changed in that respect. There has been simply a change to the office's location for administrative purposes. The integrity of the act has not been compromised, the integrity of the functions of that commission have not been compromised and the independence of that commission has not been compromised. Indeed, because it is an oversight authority essentially, it does not report to me; it reports to Parliament and is accountable to Parliament.

Mr A. KRSTICEVIC: Will the minister guarantee that the State Records Office will have a separate line item in the State Library's budget so that we know what funding has been allocated to it?

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

Mr D. Ord: The ministerial arrangements that the minister referred to relate to the supervision of staff of the State Records Office, which in itself serves the State Records Commission. As part of the workforce renewal savings measures, the staff of the State Records Office, which was already quite small, made up of archivists and general administrative staff, had reached a point of criticality. By administering them with the State Library, we were able to provide additional administrative support to the State Records Office and also deal with matters related to the conservation of archival records. The budget line the member referred to is a distinct line item within the budget. The Library Board of Western Australia, which looks after the State Library act, does not have authority to spend through that line item, so it will still be accounted for through a separate line item through my role as director general. There will be no change to the use of the appropriation relating to the administration of the State Records Office. It will simply be an administrative convenience, if you like, between the State Library of Western Australia and the State Records Office to cooperate to ensure sufficient administrative support to enable them to do their functions.

[5.10 pm]

Mr A. KRSTICEVIC: Is the State Records Office resourced in this budget to undertake compliance audits as per the requirements of the State Records Act; and how many audits does the minister expect it to complete this financial year?

Mr D.A. TEMPLEMAN: In relation to the commission itself?

Mr A. KRSTICEVIC: Yes, the State Records Office. The State Records Office needs to do compliance audits under the act.

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

Mr D. Ord: I thank the minister, and the member for the question. The State Records Office has limited resources to undertake extensive audits, but it monitors the compliance through the keeping of state record plans, which every entity, including local government, is required to lodge with it. Essentially, it assesses the compliance with the act in relationship to those record-keeping plans, which in themselves detail how the various entities meet their responsibilities under the act. The State Records Office does not have a program of doing exploratory audits, if you like, but it addresses any shortcomings that come through the process of agencies having to report the progress of their reviews of their record-keeping plans that are required under the act every five years.

Mr A. KRSTICEVIC: I have a further question. Is the director general saying that the State Records Office does not do any proactive work—it is just reactive and/or checking the reports that come in from other agencies; and, is that enough? Should the State Records Office not be resourced to carry out proactive as well as reactive work and/or just checking?

Mr D.A. TEMPLEMAN: Member, I need to point out that the resourcing to the function has not changed. Indeed, during the period of the previous government there was not an increase in resourcing to carry out appropriate audits or orders that the member is mentioning; however, the view is that the function of this entity will continue to be delivered, and will of course be accountable to Parliament through its annual report.

Mr A. KRSTICEVIC: Is the State Records Office adequately resourced to develop a digital archives program? Obviously agencies and everyone are going digital. Does the State Records Office have the capability to store records and manage them in the digital world; and, have funds been allocated for that to happen?

Mr D.A. TEMPLEMAN: I thank the member for the question. Member, I think this is an interesting challenge going forward. As we are well aware, because of the digitalisation of records—indeed the digitalisation of our history, if you like—this office is required to change and evolve every year or every day sometimes. This issue will obviously be considered going forward to ensure that the function of this important office and the role it plays in archiving state records is maintained. Indeed, in annual budget considerations it will be an issue that I as minister, and indeed the department and the director general, will review constantly.

Mr A. KRSTICEVIC: I have a further question. Is there actually any money there for that at the moment?

Mr D.A. TEMPLEMAN: I am happy to answer the member's question. I will get the director general to respond.

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Mr D. Ord: I thank the minister. A review of State Records Office functions was undertaken under the previous government in 2015–16. I chaired a working group of multiple agencies, including the Public Sector Commission and the National Archives of Australia. We considered the matter of born-digital records and the need for a digital archive. Those matters went before the previous government, and the work to come back to government with a formal proposition was due to be completed by this month. The now minister agreed that that work should continue after the change of government, and we are due to report to the government on that. Any appropriation needed to deliver that outcome, of course, would be subject to cabinet and future budget allocations.

Mr A. KRSTICEVIC: I have one final question on this area. The storage of paper records is an issue. I want to know whether any funding will be directed towards the development of an appropriate storage facility to archive records so that they do not deteriorate wherever they are stored—in Wangara or wherever it is. A lot of money will have to go into developing an appropriate facility with cooling and all the other environmental requirements to maintain records. Has any funding been allocated, and has there been a review of all the storage facilities to make sure that they meet the minimum standards and will be upgraded when necessary?

Mr D.A. TEMPLEMAN: I will make some initial comment and then ask the director general to provide any additional information the member needs. Member, the simple fact is that this office plays an important role; indeed, it ensures the integrity of the paper records the member is particularly referring to. There are minimum requirements and standards for paper records to be maintained. The director general has mentioned an overall review, if you like, of the needs, but the director general may wish to add to my preliminary comments.

Mr D. Ord: The storage matters the member referred to were also considered during the review. There has not been a transfer of state archival records since 2000, so a significant number of records now reside under the jurisdiction and control of agencies. They have to maintain those in appropriate conditions, mostly with private storage companies that deal with record storage. The state archives are held currently at the State Library building, which is a fully conditioned building and maintained to international standards. There is also an archive building in Dianella that recently had funding spent on it through our asset maintenance program to ensure that it remained fit for purpose, accepting that it is already full. We have also undertaken, through expenditure of approximately \$100 000 in the last financial year, a business case essentially for a future archival solution that will take in both the needs of state archival records and, potentially, national archive records because its storage solution in Western Australia ends in several years' time. There is the potential of also holding Aboriginal cultural records related to the Noongar native title settlement.

Mr A. KRSTICEVIC: I have one last question on the director general's comments. The director general mentioned the record keeping at the State Library. What is its digital preservation policy, how is it maintaining records in this new digital world, and does it have any standards, key performance indicators or targets it needs to meet to make sure that it keeps up with what is going on in the various agencies?

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

Mr D. Ord: Thank you, yes. The Legal Deposit Act was passed some time ago. Its intent is for the state to take, through the State Library, a collection of digital content created by general community corporations, community organisations and the like. It will require a significant digital archive for, if you like, non-government purposes as well. At this point we lack the infrastructure to bring that into reality, so there is a challenge for us to do that. Again, we are working on a digital transformation strategy for all collecting institutions, including the Western Australian Museum and Art Gallery. The new Museum project will provide a significant technology capability uplift. We hope to build off that and benefit from the infrastructure we will be able to put in there to, if you like, build capacity across the other collecting institutions.

Mr S.A. MILLMAN: My question is to the minister. The director general just mentioned the new Museum project. I am very much looking forward to getting to the Dinosaur Discovery at the Perth Convention and Exhibition Centre next weekend with my two young boys. In the meantime, we will be waiting for the new Museum project. The first dot point on page 371 under “Developing the Arts and Cultural Industries” states —

The State is currently working with the managing contractor of the New Museum Project ... Multiplex, to ensure the final design of the NMP meets functional requirements ...

Having regard to the context of Perth Children's Hospital and the costs, delays and budget blowouts, what is this government doing to ensure that the new Museum project will be delivered within budget?

[5.20 pm]

Mr D.A. TEMPLEMAN: I thank the member for Mount Lawley. I am sure his children will enjoy the dinosaur discovery exhibition. I was at the Museum to launch it this morning. It underpins the important work of the Western Australian Museum activity during the preliminary works and, of course, the ultimate construction of the

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new Museum project in the Perth Cultural Centre Precinct. Obviously, when we came to government and we saw the budget situation left to us by the former government, a range of issues and priorities were inspected closely. It was the government's view that the new Museum project should proceed. As the member is aware, the new Museum project has an indicative budget and its delivery has been the focus of this government. We are committed to delivering the new Museum project in the Perth Cultural Centre Precinct in 2020. We believe that the scoping work that has been done has come up with a very innovative and certainly a very iconic concept for a new Museum in Western Australia. The preliminary design is an interesting challenge in some respects because the cultural precinct has the iconic heritage elements that will be enmeshed within the new Museum project. The member would have seen the preliminary design concept —

Mr S.A. MILLMAN: Sympathetically enmeshed, I think.

Mr D.A. TEMPLEMAN: Absolutely. This government will ensure that everything is done to make sure that the project is delivered on time, and within the budget constraints that were left by the previous government. We are confident that it will be delivered. One of the interesting elements that is part of the ongoing sustainability of the whole cultural precinct, which includes the new Museum project, is a central energy plant that is aimed at reducing energy costs for the entities within the precinct by some 40 per cent. The first elements of that central energy plant have already been delivered in that precinct. I am confident that as we reach each milestone of the new Museum project, the budget issues associated with delivery will be carefully monitored and the milestones of construction focussed on. There is not just a direct economic outcome from the investment of state money in this important project, but many, many jobs will be created as part of the construction and, ultimately, full operation of the new Museum. I am confident that the project is progressing well within the time line set and that all aspects with regard to mitigation of any challenges are being met. It is an interesting site on which to deliver, but it is a very important, iconic site.

Mr A. KRSTICEVIC: Have there been any changes to the functional requirements of the project? If there have, will there be any compromise to the design?

Mr D.A. TEMPLEMAN: The member for Carine may be aware that the preliminary conceptual design included a range of elements that are focused on increasing the ultimate exhibition space that will be available under the new project. An element known as the lower basement section was included in the early preliminary scoping documents. We will not progress that aspect of it. However, the outcome will be a significant increase in the exhibition spaces and, indeed, the ultimate design, which I understand we will be looking at finalising in November. We will deliver to the people of Western Australia and to those who visit our state, both interstate and internationally, a world-class Museum for Western Australia. The final components of that will be finally determined when the design phase concludes in November.

Mr A. KRSTICEVIC: Given that the tender for design and construction had already been awarded for this project, how did the minister get around that particular issue? Are the contractors or the state taking a cut on this project? My understanding is that there is a reduction of \$40 million, or thereabouts, in the project.

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

Mr D. Ord: The project was in two stages. Stage 1 was the development of initial concept design and essentially a process by which it would be determined how it would be built, what the cost profile would be and so on. Stage 2 was warehoused within that. Stage 1 also included some early works on site as well. Within stage 1 we brought forward the central energy plant for the cultural centre, which was a key innovation component of the project. The assessment of stages 1 and 2 was the risk to the state and, as members have asked about, ensuring that the project could be built within the appropriation provided for. We worked with the architects and builders during stage 2 to de-risk elements of construction to ensure that the project could be completed within its scope and with the least risk to the state in potential engineering and other costs. The minister referred to the basement where, because of the unknown site locations, matters related to water table and the like, the state would wear significant risk under the managing contractor model. We have taken steps to try to de-risk the state from that by making some changes to where some of the exhibition spaces will be. That is consistent with the process that was established under the previous government to work through these matters with the idea that we would get a firm and final price for the build, along with a finalised design. At the same time, we progressed the planning content of the Museum to ensure that we could align the design of the internal exhibitions with the planned layout of the building. For the purposes of the forward estimates, we could then identify the operating costs so that we would not have a nasty surprise at the end and could not afford to pay for the operations of the new buildings. All those things have run in parallel with, as the minister said, the final acceptance of design and price, which is expected later this year. We remain on track to deliver the Museum on time and on budget. No determination of a savings measure has been made. We hope to attract some savings as a result of taking out some of the risk. Quite a large amount of money was put aside to pay for state risk associated with the project, as would be done with any project

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of this scale. We are hoping to reduce that and potentially bring the project in on time, on scale, to specification and under budget.

[5.30 pm]

Mr R.S. LOVE: I refer to page 370 and the item headed “Removal of Screenwest from Forward Estimates” and, on the following page, the seventh dot point under developing the arts and cultural industries, which refers to the transition of Screenwest from a government agency to an independent not-for-profit entity. I understand that the Department of Local Government, Sport and Cultural Industries will still fund Screenwest under a grant scheme. Under the spending changes, why is there a reduction of almost \$50 million across the forward estimates?

Mr D.A. TEMPLEMAN: I will answer the first part of the question and the director general can respond as well. The member is right. Last month Screenwest, in its constitutional composition, became independent of the department and, indeed, of the government. It will now have an independent board, CEO and staff who will be accountable to the new entity. That decision was arrived at over time and for a number of reasons. It will increase the capacity for Screenwest, as the state’s premier television and screen entity, to carry out its ultimate aims and objectives independent of government and to use the expertise within the industry to deliver the aspirations of the industry that Western Australia continue to, and indeed increase, its screen, television and digital production. The model that has been arrived at is part of the journey that Screenwest has been going on. It is true that Screenwest will continue to receive an appropriation from the government, as is the case with local screen agencies in other states, and that funding is significant.

Western Australia is well known for its quality screen productions. Some recent ones include *Three Summers* and *Breath*, which is still to be released, I understand. *Jasper Jones* is another one that had Screenwest support. Many of these productions were filmed in regional WA, which has been a wonderful opportunity to showcase regional communities and assist in the overall marketing of our state through screen. I will ask the director general to respond to the budget allocation element.

Mr D. Ord: Thank you, minister. Screenwest funding essentially comes from three sources. The consolidated revenue fund component comes through the department and will continue in the same quantum. Funding from Lotterywest came through Treasury and then to Screenwest via the department, so it would show up in our appropriation. That is now going directly from Lotterywest to Screenwest as a grant, so it will show up in Lotterywest’s accounts. The other component is the royalties for regions’ funding for the regional film fund, which is a grant that will go to Screenwest directly from the Department of Regional Development and will show up in the estimates in its appropriation. Screenwest is a company limited by guarantee. As a not-for-profit entity established under commonwealth legislation, as opposed to being, as it was, a government-owned incorporated association under state legislation, it is now eligible for direct federal funding. With the additional investment of the regional funding, Screenwest had grown to the extent that it was better positioned to enter into direct negotiations with the commonwealth government about direct funding contributions that could not be directed to it when it was in full state ownership. This was an attempt to provide a mechanism by which the Western Australian screen sector and funding base could be grown and more commonwealth support attracted to it.

Mr R.S. LOVE: Will the total amount of state government funding to Screenwest remain constant or decrease? In the budget, pretty well \$13 million is being removed each year. The statement was made that consolidated revenue will continue to fund Screenwest, so where will this \$13 million be picked up from? Will it be picked up from the state government or not?

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

Mr D. Ord: Previously, it was a combination of CRF funding and Lotterywest funding. Lotterywest funding is provided under the act. It is 2.5 per cent of Lotterywest’s net profit. Traditionally, that amount has grown each year, so Screenwest essentially had a growth fund through lotteries. That has not increased in the last 12 months due to lotteries having a bit of a downturn. We can never know exactly how much the screen industry will get each year because of the variation in Lotterywest revenue, but the 2.5 per cent source of revenue is guaranteed in the act. The CRF component has varied a little bit around government efficiency dividends. There is a little bit in the forward estimates from previous budgets. The \$4 million a year from royalties for regions is fixed for the four years that it was originally supported for. In the Department of Regional Development budget, there will be a lack of funding at the end of the forward estimates, but once the regional film fund has been reviewed, I am sure that the government will consider increasing the appropriation in the out years.

Mr D.A. TEMPLEMAN: There is no doubt that the challenges associated with the decline in Lotterywest revenues are having an impact across my portfolios. A locked-in percentage is allocated from Lotterywest’s profits, but it has been a challenge this financial year because of the decline in the member and others buying lotto tickets and other Lotterywest products. The threat to Lotterywest from online gambling elements, including Lottoland, has had an impact on money coming forward from Lotterywest. That is one of the reasons the Premier has highlighted that we

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are looking at legislation to address the impact of Lottoland, in particular, as an online agency that is effectively able to operate within the state without any controls. As I am sure the member is well aware, the other thing about Lotterywest is that, unlike other states, its contribution back to the community and into entities such as Screenwest, sport and recreation, health, and culture and the arts means we have a unique situation in Western Australia. We are watching very closely the challenges for agencies such as Screenwest, that are impacted by a decline or when there is an impact on lottery sales and the resulting profits are ultimately available.

[5.40 pm]

Mr A. KRSTICEVIC: Will this grant funding continue in perpetuity or, now that the funding structure has changed for Screenwest, will it be opened for a competitive grants process in the future?

Mr D.A. TEMPLEMAN: As the member is probably aware, in terms of the portfolio area, there are views of where and how much entities receive so our iconic state entities such as the West Australian Opera, the West Australian Symphony Orchestra and others are part of a three-year funding cycle. There is always a process that reviews not only who gets what, but how much. That is the normal process that has gone on for some time. My understanding, and the director general might want to add to this, is that Screenwest would be part of any ongoing review process. Would the director general like to respond?

Mr D. Ord: Thank you, minister. Screenwest is extremely efficient with its use of government funds because it is primarily focused on attracting film investment. Every dollar invested by government in its combined way has, over recent years, leveraged between \$6 and \$8 of direct investment from other parties, particularly private investors from the film sector internationally, nationally and locally. That is significantly higher than the average for the rest of the arts sector, which, for our funded organisations, tends to be about \$4.50 to the dollar. It would be unlikely that we would want to diminish investing in a sector that delivers significant jobs and outcomes for film, which last in perpetuity. It creates an image of this state and its stories, which live on in a way that is less ephemeral than many art forms. Western Australia is now taking advantage of funding more films to tell our own stories, which is having a benefit on tourism and other sectors. Obviously, we hope to improve that as time goes on.

Mr A. KRSTICEVIC: If, for example, a similar organisation from Queensland, Victoria or New South Wales was to come over here and bid for that money—Screenwest is obviously no longer a government entity; it is a not-for-profit, separate organisation—and they offered a better product or a better outcome, based on the review period, could that be a possible outcome because of what has happened here, or is Screenwest protected even if another organisation goes over the top of it with a much better offer?

Mr D.A. TEMPLEMAN: Quite frankly, Screenwest is an outstanding institution that delivers outstanding outcomes for Western Australians and the taxpayer of Western Australia and its creative industries.

Mr A. KRSTICEVIC: I agree; I want it protected.

Mr D.A. TEMPLEMAN: It also delivers quality outcomes for job creation. We want to enhance Screenwest's efforts and I would very much be making sure that within my powers, a local screen entity continues to deliver a quality product that tells Western Australian stories by Western Australians in the creative industries for Western Australians and the world. I certainly would do what I could to make sure that the member's proposition does not happen.

Mr A. KRSTICEVIC: Good.

Mr S.A. MILLMAN: I have a question about other the states. Obviously what the director general has said about the creation of jobs is very important to me as the member for Mount Lawley. I am very proud to have within my electorate a world-leading academy of performing arts—the Western Australian Academy of Performing Arts. It graduates some of the most outstanding performing arts graduates who often have the opportunity to perform in productions put together by Screenwest. How will these changes to Screenwest bring it into line with organisations in other states such as Film Victoria and Screen NSW, and the great work that those sorts of organisations do? How will it liberate Screenwest to be a fantastic ambassador for that quality Western Australian product we are so good at producing?

Mr D.A. TEMPLEMAN: It will open up a whole range of opportunities for Screenwest to link with the tourism industry, for example. The Western Australian tourism industry is all about how we can sell the state. Telling Western Australian stories is one of the great ways of selling the state and selling the stories of who we are and what we are, and our aspirations. We have a unique opportunity with the rich Indigenous culture in Western Australia, which spreads throughout the state. Even today, *Mystery Road* is being filmed in Kununurra and around the Kununurra–Wyndham area. It is not only utilising talented creative industries, leading-edge directors, crew and cast, but also integrating with and using local people from the region in the production against a backdrop that is uniquely Western Australia. Giving Screenwest more independence will mean it has an even greater, enhanced role in telling Western Australian stories to the world, and telling them against a backdrop of

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unique Western Australian landscapes, towns and regions. It will assist in how we market this state to both interstate and international visitors. That is one of the strengths of this change. The member also highlighted the importance of recognising the value of creative industries in our economy. It is one area that I think has been overlooked in the past. This government's narrative and commitment is that when we are talking about new jobs and creating and enhancing existing jobs and opportunities for Western Australians, we are looking to the leading institutions such as WAAPA and other training agencies that are creating highly skilled people with magnificent talents that we want to share with the world. Part of that narrative is for Western Australia's economy, and cultural and creative industries, to be part of that story. We will keep highlighting, encouraging and nurturing that narrative. We want local directors, performers, technicians, writers, screen editors et cetera to be part of that story and part of the work that occurs when our stories are made and then sold to the rest of the world.

Mr K.M. O'DONNELL: Firstly, the people of Kalgoorlie–Boulder thank the minister. My question refers to the government goals and desired outcomes on page 374 of budget paper No 2. The first desired outcome refers to capable and well-governed local governments. Does the Department of Local Government, Sport and Cultural Industries have a process in place to manage complaints about local government and councillors? What is the process and how long does it take?

[5.50 pm]

Mr D.A. TEMPLEMAN: I thank the member for his question, and I also acknowledge his efforts to ensure the continuation of the Goldfields Arts Centre into the future. It is a very important part of the cultural life of the goldfields and I am pleased that a transfer of the ownership of that building has now taken place, to the Perth Theatre Trust, and a lease signed with the City of Kalgoorlie–Boulder. It is a great outcome for the community and for culture and the arts in the member's region in the future.

There is a complaints process in local government in Western Australia. The department is the first port of call for complaints about councils and their decisions, individual councillors and/or mayors and their conduct, and also complaints or concerns that might be raised by salaried staff in a local council. That does not preclude individual ratepayers, residents or business people, or individual councillors writing to me as minister, but the process has the department as the first port of call in most cases. People can also report and raise concerns with other oversight agencies, as the member is well aware, including the Corruption and Crime Commission and the Ombudsman. Mechanisms are in place in the department, and then there are the independent oversight mechanisms that I just mentioned.

Does a complaint take too long? If the member is talking about the standards panel process, which is focused on elected members, yes, I think it does take too long. There have been changes to the standards panel and to the act in regard to the standards panel, particularly because of the length of time some complaints have taken. I would like to see a system, or a process by which there is an achievable time line in which a complaint is assessed, an outcome reported on or a referral made to another authority to investigate. It is my personal aspiration to improve the time lines because if a complaint or a serious concern takes months if not years to reach an outcome, that is ultimately not a positive outcome for the organisation, the individual or the council involved.

The other comment I have to make is that there are some situations in which the process, if it is a legal process, is out of my hands. Such an example is the current saga with the Lord Mayor of Perth. Quite frankly, I have been absolutely frustrated by a process that has effectively now gone on for nearly two years, and we still will not have a final determination until November. I find that ludicrous and, irrespective of one's personal views of the person who currently holds that position, the damage to the entity of the City of Perth is regrettable. I want to streamline that process as much as possible, and I continue to have discussions with the department about how we can best respond, because ultimately the department has an administrative role in making sure that the act is adhered to, and it also has a role of capacity building.

Mr A. KRSTICEVIC: How much funding, or how many full-time equivalents, have been allocated in the department to manage and investigate complaints?

Mr D.A. TEMPLEMAN: In terms of full-time equivalents, Ms Law may be able to answer that question.

Ms J. Law: We have a governance team assessing complaints that is made up of seven people at the moment.

Mr A. KRSTICEVIC: How many active complaints does the department currently have?

Ms J. Law: At the moment we have 48 active complaints.

Mr A. KRSTICEVIC: How many of those complaints are older than 12 months?

Mr D.A. TEMPLEMAN: I am happy to take that question on notice. It is a matter probably best asked by a question on notice.

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Mr A. KRSTICEVIC: Through this process?

Mr D.A. TEMPLEMAN: Would the member like it as supplementary information? I am quite happy to take a supplementary on that. I will provide information on how many of the current 48 complaints have taken longer than 12 months to resolve.

[*Supplementary Information No B8.*]

Mr A. KRSTICEVIC: What is the average time it is taking at the moment to resolve a complaint, excluding the ones that have legal processes?

Mr D.A. TEMPLEMAN: It is a bit ambiguous to ask that question, because it depends on the complexity of the complaint and a range of other matters. I am not sure that it would be possible to arrive at a figure that, on average, they take X amount of time, because it depends. Some are a lot more complex, and may take longer, and some are very minor and may take a shorter period, and that will ultimately affect or permeate the average.

Mrs L.M. O'MALLEY: What measures has the McGowan government initiated to strengthen local government accountability, in particular in the case of the City of Perth and the Lord Mayor?

Mr D.A. TEMPLEMAN: I thank the member for the question. I am mindful of the time, so I will try to be quick. I have a view that one way that we can address issues resulting from adverse findings on an individual is to have legislation that allows the minister of the day to deal with an individual. We do not have that capacity in Western Australia at the moment. Essentially, the minister of the day only has the capacity, when a council becomes dysfunctional and/or is not operating appropriately and/or is not delivering good governance, to suspend the council and create a process of inquiry. It seems ludicrous to me that the minister of the day does not have the capacity to deal with an individual. We still need to make sure that natural justice is built into that process, as is the case when dealing with a full council, when a minister decides to issue a show cause notice, and then a follow-up that might include a suspension and the appointment of commissioners. Why do we not have that system to allow an individual to be dealt with? We will be bringing legislation forward as soon as is possible and practicable to address that, through a stand-down provision. This provision exists in other jurisdictions in Australia, and I see no reason why Western Australia should not have that same provision. We should have high benchmarks on natural justice, and when such action is triggered, as is the case with the local council, but I think we need that tool.

The CHAIR: Members, before we proceed, I want to get some indication about this division. Do we want to ask lots of further questions after the break? Yes? That is fine, are there any further questions on this matter?

Mr A. KRSTICEVIC: I just want to follow up on that matter. The government is obviously doing a review of the act and the minister is highlighting the importance of bringing this in as a separate bill and not part of the review of the act. Am I to assume that the minister has lots of councillors in his sights, as opposed to just the Lord Mayor being the only person we know of who is a target of this act?

Mr D.A. TEMPLEMAN: The Lord Mayor is not the target of this act. This is a provision that I believe should be part of local government in Western Australia.

Meeting suspended from 6.00 to 7.00 pm

The CHAIR: Members, we are on division 22 and I understand the member for Carine is in mid-flight. Would you like to repeat your question?

Mr D.A. TEMPLEMAN: I was in mid-flight but the member had a very poorly framed question, so he wants a second go.

Mr A. KRSTICEVIC: The minister needs a bit more guidance in the direction he was heading with his answer!

We were talking about the suspension of councillors and the new legislation the minister intends to bring into Parliament later this year. Obviously, given he is reviewing the Local Government Act as part of that review, one assumes that suspension of councillors will be part of that review. The minister has obviously deemed it to be important to bring in this legislation earlier than the review of the act. I know the minister's view on the Lord Mayor, which is probably the main instigator of the urgency for this legislation to be brought into Parliament. We do not bring legislation into Parliament for the sake of one example, so I assume that the minister must have a concern with the local government sector more broadly and that, to bring forward this legislation in advance of a proper review of the act, the minister must have an issue with a lot more councillors. I assume it is not just for the sake of the Lord Mayor, otherwise why is the minister bringing forward the legislation earlier rather than as part of the whole review?

Mr D.A. TEMPLEMAN: The member used the word "assume" about five times in that question.

Mr A. KRSTICEVIC: I make lots of assumptions.

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Mr D.A. TEMPLEMAN: The simple fact is this: I believe that there should be a capacity to deal with and address individuals who may bring a council into disrepute, may not bring good governance to a council's operations and/or is found under probity or oversight authorities to have significantly contravened or breached the act. I think it is a priority; therefore, it has been given priority separate from the review because, as the member is well aware, the review process will take a number of months. Certainly, the first and second phases will take us into next year. My view is, simply, that other jurisdictions have their stand-down provisions and we need to have them as well. The other thing is that it will ensure that any councillor or elected member understands their responsibilities to the Local Government Act and to the codes of conduct of the council and their responsibilities as elected members in making good decisions and being transparent and accountable. That is why I and the government have given it priority. I am not interested in individual examples, quite frankly; I am interested in legislation that will allow the minister of the day to address an individual rather than have the option only of addressing the whole council.

Mr A. KRSTICEVIC: That is fair enough and I understand that.

Mr D.A. TEMPLEMAN: In my movements around the state talking to local governments, the Western Australian Local Government Association and other stakeholders, quite frankly, the response I get is that they support such a measure. That is almost universal feedback; in fact, I cannot recall anyone who is vehemently opposed. If the member for Carine asks people in the sector, he will get the same response.

Mr A. KRSTICEVIC: I agree with the minister as far as that answer goes.

Mr D.A. TEMPLEMAN: Does the member support the spirit of the legislation?

Mr A. KRSTICEVIC: I definitely support the spirit of the legislation.

Mr D.A. TEMPLEMAN: Good; I will bring it in next week!

Mr A. KRSTICEVIC: I am questioning the priority need for it based on whether the minister deems that there are broader systemic issues in the sector and that is why he is bringing it forward so urgently as opposed to keeping it as part of the review, which may be a number of months away. We do not do things urgently if we think everything is going okay and something may happen; we bring it on urgently if we think there is an issue and we want to start dealing with the issues.

Mr D.A. TEMPLEMAN: Thank you for the question. I appreciate the member's broad support for the initiative. The simple fact is that I want our Local Government Act to be modern legislation that very clearly outlines and defines the roles and responsibilities of people involved in local government, be they elected members or salaried officers. I want to make sure they have template legislation that will ensure they do things accountably and transparently and they make good decisions based on the information presented to them. I do not think our current act does that well. I think it is cumbersome and puts all local governments into one basket. We know there are challenges for a number of councils for a range of reasons. I want to make sure we have robust legislation that includes a capacity to deal with people—they are very rare, but they exist—who, unfortunately, for a variety of reasons, breach the spirit of the legislation, and, indeed, the statutory responsibility they hold as elected members. I think this will set a benchmark for that. But as the member is well aware, in terms of other legislation and other actions, his government and this government supported, and amended slightly, and it has now passed through the Parliament, the Local Government Amendment (Auditor General) Bill, which will ensure that all local governments have oversight by the Auditor General for financial audits. Included in that is a performance audit component. They are all good measures and they are all aimed at ensuring greater transparency and accountability and that better decisions, based upon good process, are delivered to local governments. That is what ratepayers, residents and businesses require and deserve.

Mr A. KRSTICEVIC: I refer to investigations carried out by the Department of Local Government into complaints. As I travel around the state, no doubt as does the minister, the feedback is that the outcome of a lot of those investigations result in more of a slap on the wrist when the expectations have been that the penalty should be much higher. I am wondering whether, apart from the suspension provisions, there needs to be a review of the way investigations are carried out and the outcomes of those investigations. A number of councillors have told me that they get standard letters from the department in answer to complaints and that those standard letters generally do not even answer the complaint they have lodged.

Mr D.A. TEMPLEMAN: That is an important issue. That, ultimately, all comes down to the timeliness and effectiveness of investigations and the timeliness of outcomes. I have already answered a question about that. Certainly, we have ongoing discussions—the director general will continue to have ongoing deliberations—about the department's responsiveness, including the timeliness of investigations and outcomes. The other thing is that in this process of the act review, we are, and I am, exploring exactly the department's role—should its role primarily be restricted to ensuring there is compliance with the act and what is that balanced with in terms of support and resourcing to provide advice to local governments? I think the Auditor General bill will help with this.

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For whatever reason a local government got on to rocky ground, I want to be able to detect that earlier and build in support so that the outcome means it does not end up on the front page of *The West Australian* under a Corruption and Crime Commission investigation. I am focused on that. There have already been a couple of examples. As an example, when that has been identified as a weakness or a weakness that needs strengthening, the department already has a process in place to support councils through training. There have been a couple of examples of problems being identified at councils. A training regime and resources have been put in place to address that issue. The feedback I get is that that is good; let us make sure it is timely and let us make sure it is given in a responsive way and that it addresses those issues. The other thing with the act, which I think goes to the root of this whole issue, is it should very clearly identify the exact role of an elected member of local government, the responsibilities of that and the need for that to be a very clear understanding of people —

Mr A. KRSTICEVIC: And the role of the CEO and the power of the council over the CEO.

Mr D.A. TEMPLEMAN: Absolutely. That is being discussed as part of this review process.

[7.10 pm]

The CHAIR: Member for Darling Range.

Ms S.E. WINTON: Chair —

The CHAIR: You are not on the list as a committee member, member for Wanneroo. Are the rest of the committee happy for that?

Ms S.E. WINTON: Yes, I think they are happy.

The CHAIR: Okay. Member for Wanneroo.

Ms S.E. WINTON: Sorry; I would not presume, Chair.

My question is about local government elections. I refer to the budget item under “Significant Issues Impacting the Agency” on page 370 in budget paper No 2 that states —

... it meets the needs and expectations of both the sector and the wider community.

I note the minister has highlighted that voter turnout at local government elections is a problem across the state, with less than 27 per cent of eligible voters participating. What action is the government taking to increase participation in local government elections?

Mr D.A. TEMPLEMAN: This is an important issue, and it is a perennial one: how do we increase the number of people who, firstly, consider themselves a potential councillor; and secondly, how do we convince more people in Western Australia to take a deep and direct interest in their local democracy by turning out to vote? The member is right: the current average is that around 27 per cent of people cast a vote in local government elections. That is too low. Thankfully, in preparation for this year’s local government nominations, the department and the Western Australian Local Government Association—I acknowledge the work of WALGA—have worked closely together in terms of a marketing strategy and a marketing campaign to highlight to communities throughout the state that we want a good, diverse range of people putting themselves forward. I am pleased to say that this year, as of close of nominations last Thursday afternoon, a record number of just over 1 300 people across the state put themselves forward and nominated to be an elected local government member. I think that is commendable. We do not have the final data yet from the Western Australian Electoral Commission on the composition, if you like, of those nominees. I have been strongly advocating over the last month, particularly about diversity. We want to see more women, we want to see more people from ethnically diverse backgrounds and we want to see more young people putting their hands up. Indications are that there are improvements in that this year, but I will wait until I get the final result. The marketing campaign was a department–WALGA partnership. I will be honest with members: I am actually very keen, particularly as we look towards the 2019 local government elections, to pursue the opportunities that internet voting might raise. I am exploring that at the moment. In looking at preparation for the 2019 elections, do we trial internet voting in a couple of regional places and in a metropolitan area? I am very keen to explore that because I think that may also assist in actually increasing voter turnout. At the end of the day we have to make sure Western Australians understand it is in their best interests to take an interest in their local government decision-making and indeed processes so that they are informed electors and make informed decisions.

Mr A. KRSTICEVIC: My question, which forms part of an answer the minister gave before, relates to “Government Goals” on page 374 in budget paper No 2. The first desired outcome is “Local governments were capable and well-governed”. Is the minister concerned about the increasing number of councils being classified as high risk in recent years? Has the risk assessment been completed as at 30 June 2017? Does it show a change from the previous trend of increasing numbers?

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Mr D.A. TEMPLEMAN: I thank the member for the question. Am I concerned? I am always concerned when a local government might be floundering. I want to know as early as possible if that is occurring, what we are doing about it and what support we are giving. That is why we have that tool. The earlier a council issue or concern is detected, the earlier we can put in place support and training, and auditing if necessary. That process will be helped by the new legislation regarding the Auditor General. That will feed in information about the financial health and wellbeing of a council. The Auditor General will have the independent capacity to also look at a performance audit. The Auditor General may decide to look more broadly across the sector at a particular issue with regard to a performance audit or he may decide to look at a group of councils or an individual council. That will be his choice, but it will be informed by the work that the department does. The risk factors that determine high, medium and low risk vary. They depend upon a range of criteria including financial compliance, responses to reports —

Mr A. KRSTICEVIC: Has it gone up this year?

Mr D.A. TEMPLEMAN: I will get Ms Law to make a comment on that. We may not have the ultimate details for this comparative.

Mr A. KRSTICEVIC: A number of councils have been on that medium–high risk watch for a number of years. Even though the minister says there are strategies, what are those strategies and why are they not working?

Mr D.A. TEMPLEMAN: I might ask Ms Law to make a comment and then I will try to answer the last part of the member's question.

Ms J. Law: The 2017 risk profile has not been done. The current analysis that we are using is based on the 2015–16 financial statements. Local governments actually have until 30 August to complete their 2017 financial statements and submit them to their auditors for auditing. We are not in a position to actually look at the 2017 financial statements at this point in time. At this point, no.

The CHAIR: Member for Darling Range.

Mr A. KRSTICEVIC: The minister was going to answer the second part of the question.

Mr D.A. TEMPLEMAN: The member effectively asked what is done. Quite often —

Mr A. KRSTICEVIC: To the extent that councils have had two or three years so far.

Mr D.A. TEMPLEMAN: Quite often the department will have a long-term intervention process that might mean ongoing monitoring. Sometimes there is a referral —

Mr A. KRSTICEVIC: There is a CCC investigation sometimes.

Mr D.A. TEMPLEMAN: The CCC ultimately makes its own decisions. When the Exmouth matter was reported earlier this year, the Corruption and Crime Commissioner, Mr McKechnie, made some very public comments which of course raised the ire of the sector, or certainly WALGA. Apparently it had never happened before, but I requested the commissioner to attend a meeting. In fact, it was less than a week after the report was released. I asked him to come to a roundtable meeting with representatives from WALGA and Local Government Professionals Australia. I also asked Mr Wauchope, the Public Sector Commissioner, to come along as well.

[7.20 pm]

Mr A. KRSTICEVIC: I was free.

Mr D.A. TEMPLEMAN: Sorry?

Mr A. KRSTICEVIC: I was probably available, too.

Mr D.A. TEMPLEMAN: We must have left you off the mailing list!

It was a very interesting roundtable discussion. I wanted to confront this issue and the concern that the Corruption and Crime Commissioner had raised. I think that led to the commissioner appearing before the Western Australian Local Government Association state council a month or so later. Mr McKechnie is certainly not backward in coming forward in his views, which is fine. My view is that the more we tease out the issues and concerns, the better. Ultimately, the sector needs to respond to some of the commissioners' concerns. It may not agree with them, but certainly there are issues that they raise as oversight officers that I think are relevant to be debated and discussed. What does that do? Ultimately, I think it makes us all question whether we have everything in place. At the end of the day, we should all be focusing—particularly in local government—on ongoing improvement. That is the message certainly that both the commissioner and Mr Wauchope highlighted: we want the sector to continue to improve and strive for excellence.

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Mr A. KRSTICEVIC: The minister talked about the sector focusing. Does the minister think that the sector is focusing on local government issues or is it changing its focus to state and federal issues and maybe avoiding putting much effort into the local part of the local government sector?

Mr D.A. TEMPLEMAN: My personal view is always that local government needs to focus on where its strengths are and where its strengths should be in delivering good local decisions on behalf of ratepayers and good strategic processes that will ensure and map out a positive way forward for their communities. I am sure the member is alluding to examples such as Fremantle and Australia Day, and others, and the current postal vote that is underway. At the end of the day, we have to trust that local governments will be aware of their particular communities' aspirations and concerns. I will not get into a debate about whether this council should be involved in this area, because if those councillors are well and truly in touch with their community, it may be an issue that their community feels strongly about. But, for me, it is about how well a local government is communicating a plan forward for its community; how accountable and transparent is it to its community in terms of decision-making; can councillors put their hands on the hearts and say that they have gone through good process on local planning and strategic issues; and have they made the best decisions based on the information available?

Mr A. KRSTICEVIC: The minister mentioned Fremantle and Perth. I think both those local governments have been high risk recently as well.

Mr D.A. TEMPLEMAN: Fremantle was on there particularly for some compliance matters. Again, they were quite upset when there was a bit of media about the risk, because they had actually addressed a number of the outstanding requirements, but because the list was published, they were still on it.

Councils will make decisions based on, I hope, always the best interests of their ratepayers and residents. I will not be a minister who makes comment on every single matter that comes before the media. I do not think that is my role. I am focused on good governance and good decision-making and making sure that there is a template that allows that to happen as best as possible. I am not really interested in commenting on every small individual issue, because that is ultimately a decision that the council will be accountable for every two years when there is a local election in their community.

Mr R.S. LOVE: I have a follow-on question, but I also have a substantive question, and I have been waiting for about three-quarters of an hour to ask it.

The CHAIR: The member for Moore has the floor. Would you like to ask your follow-up question?

Mr R.S. LOVE: I have the floor now; I am just laying out how hard done by I am.

I refer to page 375 of the *Budget Statements* and the heading "Service Summary". There are a number of items of interest, in particular one that relates to the discussion about the performance of local government—that is, the first line item, "Regulation and Support of Local Government". The current estimates have an amount of money allocated, but in the forward estimates there is a significantly smaller allocation going forward. Can the minister explain to me why that is the case, when the minister's stated aim is to improve the performance of local government?

Mr D.A. TEMPLEMAN: The variation between the 2016–17 budget and the 2015–16 actual is due to the additional expenditure associated with the royalties for regions-funded country local government fund, capacity building regional governance services and asset management tools. The variation for 2018–19 is due mainly to the Local Projects, Local Jobs program, which is an election commitment. Some \$2.2 million is budgeted for that. The royalties for regions-funded program was a set-date program that will conclude in 2017–18. We will evaluate that program for delivery and success or otherwise. Going forward into the next budget, we will look at the outcomes—the success. Obviously, if that program is seen as successful, we will need to prepare a budget business case, and put to our good friend the Treasurer why that might be something he should consider in the out years. It comes to an end at the end of this financial year, because it is a set-date commitment. We will evaluate it.

Mr R.S. LOVE: If that allocation or that application is not successful, bearing in mind that that money will not be applied for, how does the minister envisage that his department will be able to meet his aim to improve local governments' governance, as has been discussed in this thread of questions, with such a reduced amount of money?

Mr D.A. TEMPLEMAN: We want to make sure that we evaluate the program very carefully. If there is justification for it, we will look at preparing a business case to support any ongoing funding in the out years.

Mr B. URBAN: I refer to page 370 of budget paper No 2, volume 2, the heading "Significant Issues Impacting the Agency", and the first dot point under the subheading "Working Together with Local Government". What measures are in place to ensure that Western Australians benefit from financially strong and high-performing local governments?

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Mr D.A. TEMPLEMAN: This is one of the reasons why I think the Auditor General's process will be so important. For the first time, we will have local governments audited by an independent body—that is, the Auditor General. As the member knows, the Auditor General is stringently independent and very thorough. I think we will find that the fact that all local governments will be required to fulfil their responsibilities through the auditing process by the Auditor General will be very positive. It will underpin the overall sustainability of a lot of local governments and provide additional information to me, the department and the director general about the financial health and wellbeing of those local governments. It will help to focus local governments on their financial planning responsibilities and their strategic approach to the local council provision of services. Perhaps it will open up the opportunity for more councils to work together through various mechanisms, including the regional subsidiaries legislation that was passed by this Parliament, which encourages local governments—particularly, but not isolated to, regional local governments—to work in partnership for particular purposes. They will recognise that to deliver quality services that meet local needs they have to look at things in a much broader way and from an innovative perspective.

The Local Government Amendment (Auditing) Act also allows performance auditing to take place, which will be very interesting. I cannot direct the Auditor General, but I expect that he might start looking initially at some broader contextual issues—for example, local procurement. He might decide to focus on local procurement in a performance audit because all of us, I think, would like to see greater local content through local businesses successfully winning their local government's work. We all know that helps provide and support local jobs and local businesses. He may also look at other probity issues.

Good legislation is already in place to allow local governments to not only perform better but also be honest with themselves and see where their circumstances may lie and where they need to focus their priorities.

[7.30 pm]

Mr A. KRSTICEVIC: The minister just made a strong reference to the benefit of regional subsidiaries since the legislation came in. Can the minister tell me how many regional subsidiaries have been formed?

Mr D.A. TEMPLEMAN: None.

Mr A. KRSTICEVIC: None?

Mr D.A. TEMPLEMAN: It is sad. We have made changes to the regional subsidiary regulations.

Mr A. KRSTICEVIC: Good. That was important.

Mr D.A. TEMPLEMAN: One of the criticisms of the legislation was that the regulations were too stringent. Some councils are keen to have further relaxation of some of the regulations. One of the changes was to change the period for loans to three years. Previously in the regulations associated with the legislation the loan period was limited to 12 months. Through consultation with the Western Australian Local Government Association and some of the local governments we very quickly extended that to three years.

Mr A. KRSTICEVIC: I think we discussed it during the debate on the audit bill when it came through Parliament.

Mr D.A. TEMPLEMAN: I am hanging out for the first regional subsidiary to be presented to me to sign off on.

Mr A. KRSTICEVIC: Me too.

Mr D.A. TEMPLEMAN: I see that as another mechanism through which local governments, particularly in regional areas, can come together and say, "Here is an issue that we need to solve, address or deliver on." The regional subsidiaries model is the best opportunity to do that.

Mr A. KRSTICEVIC: I am glad that the minister is fixing it up.

Mr D.A. TEMPLEMAN: I ask the member, when he is travelling about in his expansive jet or whatever he gets around in —

Mr A. KRSTICEVIC: Two feet!

Mr D.A. TEMPLEMAN: I ask him to encourage local governments to look at that.

Mr A. KRSTICEVIC: I am available to come with the minister anytime he is travelling.

Mr D.A. TEMPLEMAN: Maybe the member and I should do a roadshow together?

Mr A. KRSTICEVIC: I am happy to accompany the minister.

Mr K.M. O'DONNELL: I have four questions but they are very short and they will be short answers. I refer to page 370 of budget paper No 2 and the first dot point about working together with local government under "Significant Issues Impacting the Agency", which discusses the review of the Local Government Act. As I said, the answers can be really short. When did the review commence? How long is it anticipated to take? Who is

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involved? Will there be an open submission process? When does the minister anticipate that this legislation will be introduced to Parliament?

Mr D.A. TEMPLEMAN: They are great questions. The review officially commenced in June with the establishment of the working party. That is how long it has been going for. I have established that it will be in two phases. Phase 1 is currently underway. I have a draft consultation paper to sign off on very soon that will go out and be advertised widely for not only stakeholders but also individuals to comment on, refer to or respond to. That answers the question about an open submission process. That consultation document is expected to be out in early November. How long will the consultation period be? I think we have set it to be about three months, so it will close in late January. Who is involved? The reference group has a broad cross-section of representation and it includes the Western Australian Local Government Association, Local Government Professionals Australia WA, the Regional Chambers of Commerce and Industry, the Western Australian Council of Social Service and the WA Rangers Association. One of the other things I have asked for, particularly about phase 2, are the sector interests. Some sector interests would like to present to the roundtable at some stage in phase 2. The Urban Development Institute of Australia WA has issues that it would like to raise as part of this consultation process and the Housing Industry Association is another stakeholder. Those groups will have an opportunity to present as part of the working party's work before the consultation document is presented. The second phase will run concurrently with the first phase being out for feedback. When do I expect legislation ultimately to come to Parliament? Phase 2 will continue into the early part of 2018 but I am hopeful that I might have drafting instructions for a reformed Local Government Act by midyear next year. Did that answer all those bits?

Mr K.M. O'DONNELL: Yes, thank you—in full.

Mr A. KRSTICEVIC: I always get concerned when I hear ministers and government departments say that they will consult over the December–January period when people are travelling, away or otherwise occupied. Maybe I am sceptical but I never believe that is genuine consultation when it is done over that period. It is a bit like advertising jobs over that period. Does the minister think that that period is the right time and of the right length for adequate consultation, bearing in mind that local governments close down over that period, people travel over that period and people do not have a fair chance to have a significant say in a very important future?

Mr D.A. TEMPLEMAN: I hear that about a whole range of matters, particularly those that are considered in the December–January period. If we can get this out by early November—we are tracking fairly well towards that—that will give people November and December. I think there is a lot of interest in this. The first phase looks at issues that have already had a lot of debate—gift provisions, reducing red tape, regional subsidiaries, meeting community expectations, standards and ethics, and electronic disclosure provisions. They have already been focused on in wanting to make things more transparent. I am confident that that time period is workable.

[7.40 pm]

Mr A. KRSTICEVIC: I have a follow up-question. Have additional resources or money been allocated, or how is the department going through this process; and, if there are not any additional resources to go through this review process, what has the department had to drop?

Mr D.A. TEMPLEMAN: The department has not had to drop anything because, essentially, the Local Government Act is core business for the department. The department has made sure, from a secretariat and policy point of view, that there is resourcing for this working party. Of course, the working party is made up of a whole range of elements of other agencies. I am very appreciative that those agencies or elements of the working party have made themselves available, and have been very, very diligent in their contribution to the development of the phase 1 consultation paper. It is within the resources of the department, it has been an important focus, and it has been supplemented by a very, very good partnership and the active participation of other agencies outside government.

Mr A. KRSTICEVIC: I have a further question.

The CHAIR: Member for Moore. Can you —

Mr A. KRSTICEVIC: Can I ask one last, further question?

The CHAIR: Okay. Can we be quick, and then move on to —

Mr A. KRSTICEVIC: But there must be something, because this is a big review that will take a huge amount of resources. Is the minister saying that the department was sitting there not doing anything else that was important, or it was just sitting there doing nothing because it has the capacity to pick up such a big review? The department must be dropping something. There must be some impact somewhere. The department cannot just say, “We’re going to do a major review of the act”, and it will all just get picked up in the wash and nothing extra will be required—no extra resources, no extra staff—because the department has the capacity. If the department has the capacity to do such a big review, what was it doing when this review was not on?

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

Mr D. Ord: Thanks, member. As the minister has said, it has been prioritised within the department. We have seconded other public servants into the department to work on it, particularly those with a legal background. As the member is also aware, there has been a machinery of government change, which, essentially, has placed the former Department of Local Government within a much broader group of agencies. We have been realigning some of our executive and other positions to get behind what we see as a critical piece of legislative reform for Parliament. The minister has indicated that the reforms have very strong support from the Western Australian Local Government Association and Local Government Professionals Australia WA. The members of the working group bring their own resources to bear in assisting with the development of the discussion papers and, of course, the advocacy that will be needed outside to ensure the public consultation process is very effective. They are not expecting the government to, if you like, pay for that; they see it as a joint initiative really to rapidly restore the confidence of the community in the governance of local government. On that basis, I am confident that we have the resources. If I need to draw on them within the broader department's capabilities, I can move some staff across to ensure we meet the time frame set down by the government. We have a number of pieces of legislation under review, but we are taking a hierarchy approach to that. The minister, as Leader of the House, has certain influence in ensuring that we get this work done.

Mr R.S. LOVE: I would like to take the minister back to the service summary table on page 375. There are a couple of items of interest that I would like a brief explanation of. This is really two questions in one, but I hope that is okay.

Mr D.A. TEMPLEMAN: Yes.

Mr R.S. LOVE: Item 12, "Venue Management Services", seems to have a spike in expenditure in 2016–17. Could the minister explain that spike? Item 17, "Museum Services to the Regions" has a similar spike in 2020–21 in the forward estimates. Could the minister explain the significance of those two items?

Mr D.A. TEMPLEMAN: Yes. I will do the "Museum Services to the Regions" first.

Mr R.S. LOVE: Yes.

Mr D.A. TEMPLEMAN: The increase in the 2019–20 forward estimates and the significant increase in 2020–21 are related to the increased operating costs of the new Museum that will open in 2021. In terms of —

Mr R.S. LOVE: Sorry; the operating costs of what?

Mr D.A. TEMPLEMAN: The operating costs of the new Museum.

Mr R.S. LOVE: The new Museum?

Mr D.A. TEMPLEMAN: Yes, that is right.

Mr R.S. LOVE: Is the new Museum a service to the regions?

Mr D.A. TEMPLEMAN: Yes, it is. Essentially, it can be argued —

Mr R.S. LOVE: Okay; so we can go and look at it.

Mr D.A. TEMPLEMAN: The new Museum is a Western Australian museum.

Mr R.S. LOVE: Right.

Mr D.A. TEMPLEMAN: So, indeed, it is for all Western Australians.

Mr R.S. LOVE: But this item is highlighted as "Museum Services to the Regions", so where does the new Museum, based in, what, Francis Street fit into that?

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

Mr D. Ord: There was an election commitment for additional money for services to the Museum of \$250 000 per annum. That is now reflected in the budget.

Mr R.S. LOVE: For \$250 000?

Mr D. Ord: That is right.

Mr R.S. LOVE: But there is an increase of \$4 million in that year —

Mr D. Ord: That relates to the new Museum operating cost.

Mr R.S. LOVE: Okay. That is the new Museum in Perth?

Mr D.A. TEMPLEMAN: That is right.

Mr D. Ord: Yes.

Mr R.S. LOVE: It is nothing to do with the regions really.

The CHAIR: Through the minister, Mr Ord.

Mr D. Ord: The Museum is an aggregated business, so it includes the Perth Museum site, which will include the new Museum. It includes Geraldton museum, Kalgoorlie museum, Albany museum and the Maritime Museum in Fremantle. Essentially, the appropriation goes to the new Museum and is in fact distributed across a network of museums that make up the whole business.

Mr R.S. LOVE: When did the current Museum close?

Mr D.A. TEMPLEMAN: Officially last year, was it not?

Mr D. Ord: Yes.

Mr D.A. TEMPLEMAN: Yes, last year.

Mr D. Ord: Last June.

Mr R.S. LOVE: In 2015–16, it did not cost another \$4 million to run it. This is the expense of this Museum over the old Museum as well.

Mr D.A. TEMPLEMAN: The Western Australian Museum continues to deliver product. For example, this morning I was at the convention centre officially launching the Dinosaur Discovery initiative, which is an initiative of the Western Australian Museum. It is just not happening in the current site because it is closed. The program of works by the Museum does not stop just because we do not have access to the WA Museum at this stage. Tomorrow I will be highlighting the opening of the Pompeii exhibition at Fremantle Maritime Museum. As the director general said, under “museums” we have the regional ones mentioned, which are supported by the government. Work on the new Museum project has commenced, but the ongoing work of the Museum in terms of product will continue because it does not stop.

Mr R.S. LOVE: I have a supplementary question.

The CHAIR: Yes, a further question.

Mr R.S. LOVE: We should bear in mind that I still have not heard the answer to my question about line item 12. Is the descriptor “Museum Services to the Regions” not a misnomer? Should it not be just “Museum Services”, full stop?

Mr D.A. TEMPLEMAN: I suppose it could be argued that it is to the regions, and the metropolitan area is a region.

Mr R.S. LOVE: Generally speaking, in Western Australia we take the view that the regions occur starting at Mandurah and beyond.

Mr D.A. TEMPLEMAN: I will not be baited by that. We have a number of regional museums that are supported by government—Geraldton, Albany and Kalgoorlie. In this budget, we have also made an allocation of \$250 000 over four years, I think, which will be to specifically work with museums that are not part of the metropolitan region.

[7.50 pm]

Mr R.S. LOVE: Very good.

Mr D.A. TEMPLEMAN: Mandurah is not part of the metropolitan region!

Mr R.S. LOVE: Apparently it is because it will receive museum services in common with Perth.

Mr D.A. TEMPLEMAN: Mandurah does not have a museum that is funded.

Mr R.S. LOVE: What about item 12—venue management? There is quite a variation between the estimated actual in 2016–17 and in future years, including the budget year. Why is there that variation?

Mr D.A. TEMPLEMAN: The increase in the 2016–17 estimated actual compared with the 2016–17 budget is mainly due to an increase in show recoveries across all Perth Theatre Trust venues. This will, of course, include the member for Kalgoorlie’s venue in the future. It is also due to a significant increase in ticket sales for Perth Theatre Trust—programmed events resulting from sold-out performances at the State Theatre Centre of WA and the Albany entertainment centre, and I am sure we will add sellout performances in Kalgoorlie to that list now it is under the PTT’s jurisdiction. The variation is effectively from an increase in show recoveries by shows that were entrepreneured by the Perth Theatre Trust and an increase in ticket sales. The Perth Theatre Trust has

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a number of cultural assets under its management. Those figures are due to increases in show recoveries across all PTT venues and a significant increase in ticket sales. It is a positive trend. Also, His Majesty's Theatre, which is also a Perth Theatre Trust entity, was closed for renovations for four months last year, which would have affected the figures.

Mrs J.M.C. STOJKOVSKI: I refer to page 370, and "Working Together with Local Government" under significant issues impacting the agency, which states, "Work is also progressing on the Government's commitment to stop puppy farming." What is the progress of the McGowan government's election commitment, which I am sure the Chair is interested in?

Mr D.A. TEMPLEMAN: I thank the member. Before the 2017 March election, the Labor Party made a commitment, through the Premier and the very hard work of the member for Maylands, whom I acknowledge, to ensure that the essentially cruel practice of puppy farming would be stopped in Western Australia. The key actions proposed in the election commitment to stop puppy farming include a centralised dog registration system, a proposal for compulsory dog sterilisation, mandatory breeding standards and transitioning pet shops into adoption centres. The Department of Local Government, Sport and Cultural Industries has established a small team to progress the election commitment because we want to deliver it as soon as practicable. I am pleased to say that the member for Maylands has agreed to chair a committee. The member for Maylands not only has vast experience and knowledge of animal welfare issues, but also is respected by key stakeholders in affairs associated with animals in Western Australia. There is a deep respect for her and I think she will be able to lead this process, particularly given the fact that she campaigned for it strongly in opposition and convinced and ensured the McGowan Labor government's commitment to deliver on it. A stakeholder group is now working on it. Lots of differences of opinion have been put forward but the idea is to look at how we can effectively and practicably deliver our election commitment. It will be under the member for Maylands' guidance and with input by various key stakeholders who have a direct interest in this issue. A consultant has been appointed by the department to undertake work on the government's commitment to stop puppy farming. I look forward to the commitment being delivered as soon as is practicable.

Mr A. KRSTICEVIC: Who is on the advisory panel and how were they selected?

Mr D.A. TEMPLEMAN: Obviously, the member for Maylands is, and the consultant. There is also representation from the Department of Primary Industries and Regional Development; the Department of Mines, Industry Regulation and Safety; the Royal Society for the Prevention of Cruelty to Animals; the Dogs' Refuge Home at Shenton Park; Oscar's Law; the SAFE organisation; Dogs West; and the Pet Industry Association of Australia. The following groups are also represented: the Western Australian Local Government Association, the Local Government Professionals WA, the WA Rangers Association, the Australian Veterinary Association, WAFarmers, and the Australian Federation for Livestock Working Dogs. How were they selected? They were selected through input from the member for Maylands and they were identified as the key stakeholders to assist us in achieving our election commitment to stop puppy farming. A number of these organisations were also consulted in the preparation of the election commitment policy document. They all have an important interest in the issue. I am very keen to ensure that the McGowan government delivers this election commitment.

Mr A. KRSTICEVIC: Will the department consult with dog clubs? For example, the Northern Suburbs Dog Club has 1 500 members, so will the department consult with community-based people on the ground in this area?

Mr D.A. TEMPLEMAN: We already are consulting with them through representation by Dogs West. Dogs West is the peak body—I am sure that the member for Maylands would be able to answer this even better than me.

Mr A. KRSTICEVIC: She has indicated they will be consulting broadly!

Mr D.A. TEMPLEMAN: I can assure the member that those owners and operators have direct representation through Dogs West.

Mr A. KRSTICEVIC: My local club will be very happy with that.

Mr K.M. O'DONNELL: I refer to page 369, the delivery of services and the line item for the Lotteries Commission Act 1990 under the "Amount Authorised by Other Statutes". In last year's budget, \$19 million was allocated in 2019–20 for the departments of sport and recreation and culture and the arts. This year, \$35.2 million is allocated for 2019–20. Can the minister provide a breakdown of the figures as they relate to the culture and arts portfolio for this year in the forward estimates?

Mr D.A. TEMPLEMAN: I am happy for the director general to provide the information that I think the member requires.

Mr D. Ord: The lotteries is a statutory allocation of five per cent for culture and the arts and five per cent for sport and recreation. The number the member sees in the budget papers is essentially the estimate of lottery revenue

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over the forward estimates for both sport and arts, which are now consolidated into a single figure. The estimates are prepared by the Lotteries Commission based on an analysis of the revenue it hopes to gain or the profit it hopes to make over that period. The figures have been adjusted from last year in light of some downturn in lottery revenue, which has been well canvassed in the media. However, they are still showing a positive trajectory over the forward estimates. They get reviewed every budget period and adjusted according to actual outcomes. In the 2016–17 financial year there was quite a significant revision downwards of the original estimate for Lotterywest revenue. However, the amount for this year is essentially that amount, divided by two, for arts, and an equal amount goes to sport.

[8.00 pm]

Mr A. KRSTICEVIC: On page 370 of budget paper No 2, a line item refers to a decline in Lotterywest funding of \$2.754 million. What proportion of that reduction in spending is attributable to the culture and arts portfolio? Who will lose that money, basically? Is it culture and the arts, or sport, or is it shared equally amongst both?

Mr D. Ord: The act prescribes that five per cent goes to sport and five per cent goes to arts, so, essentially any reduction is divided by proportion, according to the five per cent rule.

Mr A. KRSTICEVIC: I am looking after the interests of the arts, that is all.

Mr D.A. TEMPLEMAN: The member has always been a good thespian.

[Ms S.E. Winton took the chair.]

Mr A. KRSTICEVIC: I refer to the outcomes and key performance indicators on page 375 of budget paper No 2. A line item under that heading reads —

Percentage of local governments that did not have an action taken against them under the Department's compliance framework

I note the large discrepancy between the budget—65 per cent—and the estimated actual of 51 per cent. I want to ask why it is so low, but the accompanying note on page 377 reads —

The 2016–17 Estimated Actual is less than the 2016–17 Budget mainly due to a higher than expected number of local governments not complying with mandatory reporting requirements.

Is there a systemic failure there? What reporting requirements are not being met?

Mr D.A. TEMPLEMAN: It is a very good question, and I am looking forward to the answer from Ms Law.

Ms J. Law: It is not a systemic failure. The member would be aware that we introduced an integrated planning and reporting framework. We also introduced the requirement to value assets at fair value. Both of those had a phasing-in process, so in the year reported, the compliance with both of those requirements was not as high as we anticipated, but it is being corrected in the years forward.

Mr A. KRSTICEVIC: In that particular area, I think compliance is generally lower than one would hope. Obviously, when we have mandatory compliance requirements we would expect 100 per cent compliance, but we seem to have set the benchmark pretty low. If we have mandatory reporting requirements in local government, and local governments continually do not meet those mandatory requirements on an ongoing basis, what is going wrong? What is the purpose of having mandatory reporting if none are reporting, or very few are reporting, or some never report?

Mr D.A. TEMPLEMAN: Would Ms Law like to answer that?

Ms J. Law: I will certainly try. Yes, we do have mandatory reporting requirements, but in both of those processes that I explained, it was an educative process. Yes, we did set the benchmark, and we were saying that we wanted people to comply, but a lot of work needed to be undertaken to allow local governments to do that. We focused our resources on trying to educate and support local governments to reach compliance by the required date and, happily, most of them are at that point now.

Mr A. KRSTICEVIC: When is it expected that all local governments will meet their mandatory requirement, and lodge the documents by the due date, and what action will be taken against local governments that do not meet their mandatory requirements, at whatever time 100 per cent compliance would be appropriate?

Ms J. Law: The methodology and the benchmarks that are quoted here relate to financial compliance and compliance with the integrated planning and reporting requirements. There would be an expectation that all local governments have reached that point now. Within the 2016 risk profile, three local governments had not met that benchmark, and we are now working with the Western Australian Local Government Association and the Local Government Professionals Association to give them added support so that they can meet that compliance.

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Tuesday, 19 September 2017]

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Mr David Templeman; Mr Tony Krsticevic; Mr Simon Millman; Mr Shane Love; Mr Kyran O'Donnell; Mrs Lisa O'Malley; Chair; Ms Sabine Winton; Mrs Jessica Stojkovski

Mr A. KRSTICEVIC: In 12 months, when we are sitting here going through this again, is the department saying that there will be 100 per cent compliance? If there is not 100 per cent compliance, what action will the department take against a local government that did not meet that mandatory reporting requirement?

Mr D.A. TEMPLEMAN: I will answer that. I think Ms Law has highlighted that currently only three of 138 councils do not comply under the mandatory requirement. Certainly, the expectation will be that the figures presented for the next budget will be substantially higher, and if there are one, two or three councils that have not complied, the department would have already been working with them, as it has currently been working with the three that have been identified, to ensure that they have all probity requirements in place to comply with that mandatory requirement.

Mrs L.M. O'MALLEY: I refer to the second dot point under the heading "Working Together with Local Government" on page 370 of budget paper No 2. What is the McGowan government doing to deliver strong partnership between the state government and local governments?

Mr D.A. TEMPLEMAN: I thank the member for the question. This is important. When I became the minister in March, and during the process leading up to the election, it was a broadly accepted viewpoint that the relationship between state government and local government had deteriorated to a very low point. A lot of that was sheeted home to the previous government's treatment of local government, and the comments by then Premier Colin Barnett about local governments' lack of capability. He said some throwaway lines that I believe were not only disrespectful to the local government sector but also unfair. There was also the flawed and eventually aborted reform program in the Perth metropolitan area, in which the Barnett government attempted to force amalgamations on a number of councils. That process was defeated by local communities voting against such proposals and the realisation, be it very late in the electoral cycle, that the reform process was flawed. All through that, the sector was, I think, the recipient of unfortunate and unnecessary attacks by the former government. One of the things we committed to during the election and coming into government was to rebuild the relationship. We will not agree on lots of things; we understand that.

[8.10 pm]

However, we believed that we needed to start afresh in building a relationship with the sector: with individual councils, with the Western Australian Local Government Association as the peak body and Local Government Professionals Australia. We committed to a partnership agreement similar to the agreement established by the Gallop government when it came to government in 2001. It basically set out broad principles of understanding about the relationship we wanted. Included in that agreement was a range of commitments, and it was negotiated over a couple of months. It was one of my first priorities as the new local government minister and the Premier and I, along with Lynne Craigie, the president of the Western Australian Local Government Association, and Warren Pearce, the CEO of Local Government Professionals Australia, signed the partnership agreement at WALGA's convention in August this year.

This is not just a symbolic partnership; it is about a working relationship. I think it will be very effective. My relationship with WALGA is very positive. I talk regularly with the representations and have been going around to zonal council meetings. My message is simple. I have a great deal of respect for elected members and I want the best local government system we can have in place in Western Australia. That has to be based upon mutual respect. That is how I will approach it and that is how the sector seeks to approach it. When we have differences of opinion, we will conduct the debate and discuss those differences in a respectful manner. I will not denigrate the sector even though we may disagree. I think that is part of building a relationship of trust and respect and working in partnership. At the end of the day, our level of government will be enhanced by having a very positive relationship with local government. We do not need to be the enemy and they do not need to be our enemy.

Mr K.M. O'DONNELL: I refer to the election commitments under "Spending Changes" on page 370 of budget paper No 2. I have been unable to find the \$3 million creative music fund allocation. I was wondering whether it has been allocated elsewhere or is it under another heading?

Mr D.A. TEMPLEMAN: The creative music fund does not appear in this budget. It is an election commitment and we are committed to delivering it. There will be ongoing discussions with the sector about how best we will achieve that with that money. It does not appear in this budget but we will deliver it in this term and will have some very close consultation with industry to make sure that when we make that money available it will deliver great outcomes for the music industry in WA.

Mr A. KRSTICEVIC: I make a general reference to delivery of services on page 367 of volume 2 of budget paper No 2. I want to ask about the machinery-of-government changes. Can the minister say how many staff have been lost, how many merges have happened and how many redundancies have been paid out? Can we have a list of who has been paid out and what is the current level of FTE?

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Mr D.A. TEMPLEMAN: I thank the member for the question. As he is well aware, the McGowan government has unashamedly focused, within the budget constraints and the budget position that his government left us, on reforming the public sector. Included in that is the wideranging machinery-of-government reform process. It is focused on consolidating how government delivers its services through the various departments, as the member knows. Prior to the changes there were some 41 departments in government in Western Australia. Compare that to South Australia, which has 22; Queensland, 20; New South Wales, 10 and, Victoria, only seven, interestingly enough. This government's commitment was to make our government much more focussed on service delivery and not be siloed under 41 departments. Careful thought was put into exactly how this might be achieved, particularly about what mergers might look like. Our human services function has been consolidated into the new Department of Community Services. As another example, the state's overseas officers and marketing promotion have been consolidated into the Department of Jobs, Tourism, Science and Innovation. In the departments I have responsibility for, local government has been consolidated within the new Department of Local Government, Sport and Cultural Industries. The focus has been on ensuring that that reform process take place as efficiently and effectively as possible. Overall, we believe the changes will deliver a net saving and, of course, contribute to budget repair.

The member will also be aware that, as part of its budget, the government made a commitment to have a provision in the budget for 3 000 voluntary redundancies in a voluntary severance scheme. The note here, of course, is that it is voluntary. But it will provide for up to 3 000 public service employees accessing voluntary redundancy. There is no provision in the department's budget for the voluntary severance scheme because we will seek expressions of interest from people employed in the public sector across all the departments for their interest in accessing that voluntary severance scheme. New agencies are expected to establish new structures. There are no targets for agencies to meet this. We have not been told and we are not required to deliver X number of that 3 000. That is something that will be achieved, ultimately, across the public service. I reiterate that it is voluntary severance; therefore, at some stage, we will look across government for expressions of interest for willing applicants to be part of that scheme.

Mr A. KRSTICEVIC: I asked about redundancies as part of the merger. Obviously, there were 41 directors general, senior managers et cetera, going down to 25. In the minister's area of responsibility, did any people take redundancy and move on or were they moved to other parts of the department? The second part of the question was: will any of the agency expenditure review impact on the minister's agencies?

Mr D.A. TEMPLEMAN: I will ask the director general to provide more detail. The exact detail of the answer to that question is probably specific to the jurisdictional responsibilities of the Public Sector Commissioner. But I am happy for the director general to comment on the broader context of the member's question.

Mr D. Ord: When the machinery of government was affected, directors general of the substantive agencies were, essentially, returned to the Public Sector Commission and given new direction on what activities they would undertake. In my case, I was asked to act as director general and have been through a process to become substantive in this role. Other existing directors general have been allocated duties and one member of the senior executive service has taken a redundancy from the agencies we have brought together.

Mr A. KRSTICEVIC: This question relates to item 33, the Art Gallery of WA, under "Delivery of Services" on page 369 of budget paper No 2. I refer to Bill Henson's touring exhibition, which opened at the Art Gallery of Western Australia on 18 September 2017. I note that serious concerns have been raised regarding the nature of the images. They depict children in sexually explicit ways, and normalise child abuse and child exploitation. A number of people have raised that with me. Does the minister believe that it is appropriate to have such works on display and does the minister support the Art Gallery of Western Australia's decision to display these works?

[8.20 pm]

Mr D.A. TEMPLEMAN: Which one is the member talking about?

Mr A. KRSTICEVIC: The current works on display at the Art Gallery, which opened today. Has the minister seen it?

Mr D.A. TEMPLEMAN: No, I have not seen it yet.

Mr A. KRSTICEVIC: Maybe the minister should go and have a look at it.

Mr D.A. TEMPLEMAN: I will ask the director general to make a comment shortly. More broadly, we had an experience earlier this year at the Fremantle Arts Centre, which is of course a non-government entity. An issue about the sensitivity of an exhibition was highlighted by members of the public. As a result of that, appropriate warnings and consultation were made. Sensitive aspects or sensitive matters can vary from those described by the member. We also know there are sensitivities regarding culture and faith et cetera. There are policies in place, which the director general might elaborate on. My view is that whenever there are sensitive elements to an

exhibition, there should be appropriate warnings and/or appropriate consultation to ensure that people are aware of it. It should be articulated early on in the process whether elements of an exhibition may be of a sensitive nature or may attract concern. My understanding is that there are policy mechanisms in place. I will ask the director general to make some additional comments, as I have not seen the exhibition.

Mr D. Ord: The Art Gallery of Western Australia is a statutory authority, obviously with an independent board. The board has oversight of the programming that is undertaken by the curators of the gallery; hence the minister does not have direct artistic control of the institution. That said, the board and the leader of the Art Gallery constantly take the community's concerns into account. From time to time the Art Gallery has programming that is at times confronting for a whole range of reasons. It is very diligent around the protection of people who are seeing those exhibitions. We have galleries with security staff and so on. If there is content that would be deemed to be potentially offensive, for instance, to young people or whomever, there would be warnings and appropriate mechanisms to prevent that from being inadvertently seen by those whom it would not be appropriate to disclose that material to. I am not aware of any complaints. I am not aware that the department has received any complaints—we often do, if people are offended by content. That happens from time to time with either the content created by one of our funded organisations or by an institution such as the Art Gallery. Should there be public concern of this nature, of course we undertake some form of review of the content and discuss with the trustees and staff whether any action should be taken to either remove the inappropriate content or reinforce the warnings that might be given. As I said, the department has not received any complaints since the exhibition opened. Bill Henson is well known and has been a controversial figure. He is also an internationally acclaimed artist. The Art Gallery from time to time programs works that would be considered potentially contentious for some people.

Mr A. KRSTICEVIC: Can I recommend that maybe the minister and the director general have a look at this exhibition so they can make their own assessments? I have received complaints. I am sure other members have as well. If they have come to me in my role as a shadow minister, I am surprised they have not come to the minister. I am surprised that the minister has not received those same complaints. As a matter of fact, I am pretty sure that a lot of people were cc-ed on the same material that I received. If the minister could do that for me, that would be greatly appreciated. That way, we can ensure those warnings are there and that those photos that basically look like child pornography—they may be rated for over 18s —

Mr D.A. TEMPLEMAN: Did the member go and have a look?

Mr A. KRSTICEVIC: I was sent the photos.

Mr D.A. TEMPLEMAN: Has the member been to have a look?

Mr A. KRSTICEVIC: No, I have not been to have a look. I have seen what is on display from other people who have provided the photos. That is all I will say on that matter.

The appropriation was recommended.