



**The Hon Tony Simpson MLA
Minister for Local Government; Community Services;
Seniors and Volunteering; Youth**

Your Ref: EHW17
Our Ref: 49-11425

Mr Mark Warner
Committee Clerk
Estimates and Financial Operations Committee
Parliament House
PERTH WA 6000

Dear Mr Warner

2016-17 BUDGET ESTIMATES HEARINGS – GENERIC QUESTIONS TO AGENCIES

Please find attached a response from the Department of Local Government and Communities to the questions provided by your Committee Chair on 30 May 2016.

Yours sincerely

HON TONY SIMPSON MLA
**MINISTER FOR LOCAL GOVERNMENT; COMMUNITY SERVICES;
SENIORS AND VOLUNTEERING; YOUTH**

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ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

Department of Local Government and Communities

The Committee asked:

Agency Expenditure Review program

1.1. How will the savings measures identified in the Budget be achieved by your agency?

Answer: Savings will be achieved through:

- *closure of the Best Start and Parenting WA programs by December 2016;*
- *cessation of subsidised accommodation for childcare and community centres by 30 June 2018;*
- *divestment of buildings currently owned or leased for this purpose;*
- *internal operational and administrative efficiencies (includes better use of technology, and reduction in staff travel, printed publications, promotional events and procurement of external services);*
- *ceasing the 1992 WA Family Foundation Program; and*
- *reduction in the use of paid advisory committees in favour of voluntary advisory bodies and direct community and stakeholder engagement.*

1.2. What are the risks to achieving the savings identified?

Answer: Low over the four year savings period. Staff affected by the closure of Best Start and Parenting WA will be offered voluntary severances, redeployment and other support services. The two-year transition period for the Department's withdrawal from its property management role provides ample time for all affected parties to make alternative arrangements.

1.3. Are there any low priority programs your agency is ceasing or reducing? If so, please provide details.

Answer: Yes.

- *The Best Start program is being discontinued because it duplicates the Kindilink program operated by the Department of Education.*
- *The Parenting WA program is closing from 2016 as many other organisations now provide parenting services and direct service delivery by the State is no longer necessary. The Department will establish a new Centre for Parenting Excellence that will focus on strategic coordination and evaluation of parenting services, and supporting service delivery through the community sector (additional \$3.5 million over four years).*
- *There are more than 1130 childcare centres in WA, of which the Department provides free or subsidised accommodation for 33 (25 of these are in metropolitan Perth). There is a potential conflict between the Department's role as the regulator of childcare centres and its provision of subsidised*

accommodation to some centres, especially those operating in a competitive market. The Department leases 13 and owns 20 of these properties.

- *The Department provides funding to 49 community centre organisations in WA, and additionally provides free or subsidised accommodation to 34 of them (23 of these are in the Perth/Mandurah area). In some cases, the Department competes for tenants with local government operated community facilities.*

National partnership agreements

1.4. Please provide a list of

- all national partnership agreements under which your agency receives funding
- the expiry dates of those agreements
- how much was received in 2015-16 under the agreements and the budgeted amount for 2016-17

Answer: The National Partnership Agreement for the National Quality Agenda for Early Childhood Education and Care expired on 31 December 2015. A new agreement was signed on 3 May 2016 with an expiry date of 31 December 2018. The Department received \$400,000 under the old agreement between July and December 2015, and is expecting to receive \$712,000 for January to June 2016 and \$1,616,000 for 2016-17 under the new agreement.

1.5. Please provide details of the value of the impact on your agency's budget resulting from the expiry of those agreements.

Answer: There was no impact on the Department's budget. All staff employed under this National Partnership are engaged on a fixed term basis for the duration of the agreement.

1.6. Will the State be making up the loss in funding resulting from the expiry of agreements?

Answer: Not applicable.

1.7. If so, how and, if not, please provide details of any cuts that will need to be made and the implications for service delivery by your agency.

Answer: Not applicable.

Commonwealth grants

1.8. Please provide the same information requested for national partnership agreements above for any commonwealth grants received by your agency.

Answer: Please refer to Budget Paper 3, Chapter 4 'General Government Revenue' (pp. 87-88) and Appendix 2 'General Government Operating Revenue' (p. 235) for details of all Commonwealth grants to the State. General revenue grants and National Specific Purpose Payments are intended to be ongoing.

10 year Strategic Asset Investment Plans

1.9. Please provide a copy of your 10 year Strategic Asset Investment Plan.

Answer: Strategic Asset Plans (SAPs) are prepared for Treasury as part of the Budget process to inform decision making by the Economic and Expenditure Reform Committee and Cabinet. Disclosure of these plans would reveal the deliberations and decisions of both bodies and are therefore considered Cabinet-in-Confidence. Until such time as specific programs within a SAP have been considered and approved to proceed, they remain indicative. Additionally and understandably, 10 year SAPs are subject to a wide variety of exigencies including but not limited to priorities of the government of the day; changes in circumstances; changes in technologies and external events.

Infrastructure requirements

1.10. What are your agency's infrastructure requirements for the next 10 years? Specifically:

- What infrastructure needs to be replaced, upgraded or built to meet demand?
- What allocation has been made in the Budget for the planning and delivery of these requirements? Is the allocation in capital works?
- In what timeframe will the requirements be delivered?

Answer: Please see Answer to 1.9. Funded infrastructure programs are detailed for each agency in the Asset Investment Program section of their financial statements as reported in Budget Paper No. 2. These programs currently cover the period 2016-17 to 2019-20. Any infrastructure requirements outside this period are subject to further budget deliberations and remain Cabinet-in-Confidence.

Sale of vehicles

1.11. How many vehicles does your agency expect to sell in the 2015-16 financial year?

Answer: Nil

1.12. How many vehicles does your agency expect to sell in the 2016-17 financial year?

Answer: Nil

1.13. What is the estimated total proceeds from the sales in each of the above financial years and how will those funds be allocated?

Answer: Not applicable

1.14. Will any of the sales in 2016-17 be part of the Agency Expenditure Review program and, if yes, how many?

Answer: Not applicable

1.15. What will be the impact on agency staff (i.e. what alternative arrangements have been made for their transport)? What will be the cost of any alternative transport arrangements compared to the cost of retaining the vehicles?

Answer: Not applicable

There has been insignificant cost to the Department for alternative transport requirements.

Fulltime/contract staff

1.16. What is the estimated total number of FTE staff in your agency for the 2015-16 and 2016-17 financial years?

Answer: 2015-16 - 297, and 2016-17 - 270.

1.17. In each financial year, what proportion are engaged in:

- A contract of service (permanent staff)?
- A contract for services (contracted staff)? (*i.e. Fixed term contract employees*)

Answer: Aside from those known to be required for the NPA (ref 1.4 – 1.7 above), the proportion of staff employed on a permanent vs fixed term contract cannot be determined across the course of a year, only at a single point in time. As at 2 June 2016, that number was 229 permanent and 34 temporary.

Temporary staff include: employees seconded into the Department, Senior Executive Service employees and trainees.

1.18. Of those that are engaged by a contract for services, please explain why they are not engaged as permanent staff.

Answer: Engagement linked to temporary funding/finite projects; backfilling employees on leave, acting elsewhere or on secondment; and traineeships and graduate programs.

The Department abides by the Public Sector Commission's Commissioner's Instruction 2 – Filling a Vacancy when considering engaging temporary staff.

1.19. What is the cost to the agency of engaging contractors, including contract preparation, negotiation, payroll modifications, (*i.e.* where the contracts are renewed for staff on 6 month contracts) and cost of HR staff who manage the contracts?

Answer: It is difficult to give accurate figures due to varying situations but a general cost would be \$52/contract.

1.20. Are staff employed as contractors paid at a different rate to those who are permanent employees in a similar role and, if so, please provide details and explain why.

Answer: No, they are paid in accordance with the Public Service and General Officers General Agreement 2014.

Media monitoring

1.21. How much does your agency spend on media monitoring, for example, newspaper clippings?

Answer:

2014-15 Actual: \$19,240

2015-16 Estimated Actual: \$27,418

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2016-17 Budget Estimate: \$20,500

1.22. Who provides this service to your agency?

Answer: MyMedia provides a service covering the portfolios of Local Government, Community Services, Seniors and Volunteering, Youth and Women's Interests.

iSentia provides a service covering the portfolio of Citizenship and Multicultural Interests.

1.23. What types of media monitoring services are provided to your agency? Please provide details.

Answer: Clippings from major daily newspapers across Australia, WA community newspapers, Radio and TV coverage.

1.24. On what basis is this service provided, i.e. ongoing contract or on a fee for service basis? Please provide details.

Answer: Contract - base service retainers plus cost per clipping.

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