

## Chapter 4

### Regional Australia, Local Government, Arts and Sport portfolio

4.1 This chapter contains the key issues discussed during the 2013-14 Budget Estimates hearings for the Regional Australia, Local Government, Arts and Sport portfolio. A complete list of all the topics discussed, and relevant page numbers, can be found at appendix 5.

#### Department of Regional Australia, Local Government, Arts and Sport

4.2 The committee heard evidence from the department on Thursday, 30 May 2013. The hearing was conducted in the following order:

- Corporate Services;
- Office for Sport; and Australian Sports Anti-Doping Authority;
- Australian Sports Commission;
- Office for the Arts; and Australia Council for the Arts;
- National Film and Sound Archive; National Gallery of Australia; and Screen Australia;
- Regional Development;
- Local Government; and
- Services to Territories.

#### Corporate Services

4.3 The committee sought an explanation regarding why the department's answers to questions on notice from Additional Estimates of February 2013 were provided as late as 1 pm on 29 May 2013.<sup>1</sup> Ms Glenys Beauchamp, Secretary, apologised to the committee and stated:

...we have had an excellent record of previous questions on notice. We had over 396 questions on notice for the portfolio, and that does not even include all the subparts. So we had quite a large number of questions on notice... There were a number of external factors that impacted on that delivery.<sup>2</sup>

4.4 The committee discussed the average number of unscheduled absences taken by staff in 2012-13. Mr Jaime Clout, Chief Operating Officer, told the committee that

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1 *Estimates Hansard*, 30 May 2013, pp 4, 13–14, 36–38, 43 and 107.

2 *Estimates Hansard*, 30 May 2013, p. 13.

the department's current tracking suggests a result between 10.5 and 11 days per full-time equivalent staff member.<sup>3</sup>

4.5 The committee asked for an update to a range of staffing items including:

- the number of redundancies offered in 2012-13;
- staff survey;
- the average cost of a staff member;
- the average salary cost;
- the breakdown of staff working in the Local Government division;
- the number of staff working on Constitutional Recognition of Local Government Taskforce;
- fraudulent behaviour by current and former staff;
- misuse of departmental credit cards; and
- the number of staff located outside of Canberra.<sup>4</sup>

4.6 In continuing its interest from previous estimates hearings, the committee discussed the department's building lease arrangements. Of particular interest to the committee was the decision to sign a \$70 million 12-year lease. Mr Clout explained that:

...by taking a 12-year lease we secured a rate of \$309 a square metre, which is a significant saving on our previous lease of about 30 per cent...this property was also very attractive to us because it came fully fitted out.<sup>5</sup>

### **Office for Sport, Australian Sports Anti-Doping Authority and Australian Sports Commission**

4.7 The committee discussed the Illicit Drugs In Sport Program and the reduction of funding, which was announced in the 2012-13 Mid-Year Economic Fiscal Outlook (MYEFO). Mr Richard Eccles, Deputy Secretary stated that the reduction in funding recognised that each of the major sporting codes has its own illicit drug policies.<sup>6</sup>

4.8 The committee inquired about the level of consultation that was undertaken with the sports before the funding cut for the Illicit Drugs In Sport Program was announced in MYEFO in October 2012. Mr Eccles, explained:

There was general discussion around their entire integrity work programs. There was no specific consultation per se about the specific cuts. There

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3 *Estimates Hansard*, 30 May 2013, p.4.

4 *Estimates Hansard*, 30 May 2013, pp 4–5 and 9–10.

5 *Estimates Hansard*, 30 May 2013, p. 10.

6 *Estimates Hansard*, 30 May 2013, p. 15.

were discussions that took place... But there was no formalised consultation process. I did hold informal discussions with a couple of the codes to understand exactly what the nature of their business is. But there was no formal consultation.<sup>7</sup>

4.9 The committee sought an update on the number of sports currently subject to investigations being conducted by the Australian Sports Anti-Doping Authority (ASADA) as a result of the Australian Crime Commission (ACC) Report into *Organised Crime and Drugs in Sport* (ACC Report). Ms Aurora Andruska, ASADA's Chief Executive Officer, told the committee that there are two sports subject to investigations, namely the Australian Football League and the National Rugby League.<sup>8</sup>

4.10 Ms Andruska provided the committee with an outline of the size and scope of ASADA's investigation stemming from the ACC Report, stating:

...what we have done to date. What the ACC did was their investigation and we were provided with information. Our task in an investigation is to convert information into evidence. So from ASADA's perspective our investigation started in February [2013] and we are under four months into that investigation. To date we have interviewed 113 individuals. That ranges from third parties and support staff to players. Those interviews have taken between 1½ and 8½ hours in duration each. We have examined over 50,000 documents that we have had access to.<sup>9</sup>

4.11 The committee asked officers to outline the process ASADA undertakes when conducting investigations. Ms Elen Perdikogiannis, General Manager, explained that:

The way that the process works is that ASADA investigators gather their information, conduct their interviews, and examine the documentary evidence. That then is given to our legal area, who prepare what is known as a case pack, for consideration by the Anti-Doping Rule Violation Panel. Its role is to determine whether or not it is possible that the person, the athlete or the athlete's support person concerned, has committed an anti-doping rule violation. Once the panel makes that finding...the ASADA CEO...notify the sport concerned. Then it is the role of the sport to take forward findings from the panel and to enforce those findings, as breaches of its anti-doping policy.<sup>10</sup>

4.12 The committee inquired into the funding of the Asian Cup in 2015. Mr Eccles advised that the Australian Government is providing funding in two separate tranches:

- (i) the Australian Government contributed \$31 million to the local organising committee; and

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7 *Estimates Hansard*, 30 May 2013, p. 16.

8 *Estimates Hansard*, 30 May 2013, p. 18.

9 *Estimates Hansard*, 30 May 2013, p. 18.

10 *Estimates Hansard*, 30 May 2013, pp 20–21.

- (ii) providing funding to the Australian Federal Police, the Department of Immigration and Citizenship and IP Australia.<sup>11</sup>

4.13 The committee also discussed the following topics:

- Smith Review into the sustainability of football in Australia;
- funding and hosting the 2015 Cricket World Cup; and
- the 1988 Senate Standing Committee on Environment, Recreation and Arts inquiry: *Drugs in Sport Inquiry: Report on the Harassment of a Witness*.<sup>12</sup>

### **Office for the Arts and the Australia Council for the Arts**

4.14 The committee discussed the Resale Royalty Scheme, specifically, the scheme's funding and cost recovery design. The Resale Royalty Scheme received funding of \$2.25 million in the 2008-09 Budget, which over time was intended to be recovered by scheme. Officials told the committee that as of April 2013, \$1.45 million in royalties had been paid since the scheme's introduction in June 2010. Ms Beauchamp added that the department is going to conduct a post-implementation review of the scheme.<sup>13</sup> On 5 June 2013 the Minister for the Arts the Hon Tony Burke MP announced a review of the Resale Royalty Scheme, which 'will evaluate whether the legislation and its associated scheme are meeting the original objectives of providing artists with proper recognition for their art, and an additional source of income'.<sup>14</sup>

4.15 The committee discussed the process for implementing the National Cultural Policy. Ms Beauchamp advised that the Office for the Arts is currently developing, in consultation with the other agencies, an implementation plan to monitor progress against budget appropriation measures.<sup>15</sup>

4.16 The committee enquired why the word 'digital' appears 91 times in the National Cultural Policy compared to the words: 'ballet' appears five times; 'literature' appears six times; 'symphony orchestra' appears three times; 'opera' appears 10 times; and 'dance' appears 14 times. Senator the Hon Kate Lundy, representing the Minister for the Arts explained that:

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11 *Estimates Hansard*, 30 May 2013, pp 24–25 and 27–28.

12 *Estimates Hansard*, 30 May 2013, pp 26, 29–30 and 32–33.

13 *Estimates Hansard*, 30 May 2013, p. 38.

14 The Hon Tony Burke MP, Minister for Arts, 'Review of Resale Royalty Scheme, Media release, 5 June 2013. <http://ministers.regional.gov.au/honourable-tony-burke-mp/media-releases/2013/review-resale-royalty-scheme> (accessed 17 June 2013).

15 *Estimates Hansard*, 30 May 2013, p. 39.

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...in a digital age...each of the art forms and performance arts that you have described, there is a digital dimension to their work in this current day and age, in the 21st century.<sup>16</sup>

4.17 Mr Tony Grybowski, Chief Executive Officer added that it's the Australia Council's role to ensure that 'there is a high level of digital literacy in our current artists and arts organisations'.<sup>17</sup>

4.18 The committee asked officials to explain how the contemporary arts sector is funded. Mr Grybowski explained that the Arts Organisation Division of the Australia Council funds over 170 arts organisations for operational purposes which enable artistic directors to curate a program.<sup>18</sup>

4.19 The committee sought further information into the funding provided by Australia Council to the Australian Centre for Contemporary Arts' controversial production *Goldene Bend'er*. Mr Grybowski advised the committee that the Australian Centre for Contemporary Arts 'is an independent organisation... [W]hat the Australia Council stands for is freedom of expression of artistic practice'.<sup>19</sup>

### **National Film and Sound Archive, National Gallery of Australia and Screen Australia**

4.20 The committee asked officials from the National Film and Sound Archive to clarify an answer to question on notice from Supplementary Budget Estimates October 2012 regarding an approximate increase of 15 per cent to their electricity spend. Mr Noel Florian, Chief Financial Officer and Manager of Corporate Operations, advised that the National Film and Sound Archive does not received any additional funding to cover increasing electricity expenses and has rather focused on reducing the following areas of expenditure: consultancies, travel, hospitality and the number of actual and contracting staff.<sup>20</sup>

4.21 The committee discussed the purchase of the sculpture *Shiva as Lord of the Dance*. Dr Ron Radford, Director, advised that the sculpture was purchased from Mr Subhash Kapoor, a New York art dealer. It is alleged that Mr Kapoor is currently facing charges in India for possessing stolen property.<sup>21</sup> Dr Radford advised that he is confident that the sculpture was not stolen and the National Gallery of Australia was assisting law enforcement authorities with their investigations.<sup>22</sup>

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16 *Estimates Hansard*, 30 May 2013, p. 40.

17 *Estimates Hansard*, 30 May 2013, p. 40.

18 *Estimates Hansard*, 30 May 2013, p. 45.

19 *Estimates Hansard*, 30 May 2013, p. 45.

20 *Estimate Hansard*, 30 May 2013, pp 48–49.

21 *Estimates Hansard*, 30 May 2013, p. 49

22 *Estimates Hansard*, 30 May 2013, p. 49.

4.22 The committee asked Screen Australia officials to explain why the Australian Government provide financial support to the Australian Interactive Games Fund. Dr Ruth Hartley, Chief Executive Officer, told the committee that:

It is clear that the private sector will not support it. The games industry in Australia used to be a fee-for-service industry and at that point it was entirely private sector. Largely, as a result of the dollar, there is almost no fee-for-service work left in Australia. It is a matter of going back and becoming an intellectual property based industry.<sup>23</sup>

4.23 The committee dismissed the following Arts agencies without questioning due to timing constraints:

- National Museum of Australia;
- Creative Partnerships Australia;
- National Library of Australia; and
- National Portrait Gallery.<sup>24</sup>

## **Regional Development**

4.24 The committee asked officials to outline the expenditure from the Regional Development Australia Fund for 2012-13. Ms Beauchamp advised that as at the end of April 2013, the department had spent approximately \$62 million.<sup>25</sup>

4.25 The committee asked officials to explain why the Regional Australia Institute was set up as a separate company. Ms Beauchamp told the committee it was the decision of the previous minister, who was of the view that the Regional Australia Institute would be more successful and sustainable in attracting funding and entering partnerships if it was set up separate to the department.<sup>26</sup>

4.26 The committee discussed with officials to outline the Northern Australian Sustainable Futures program. Mr Andrew Dickson, Acting Assistant Secretary, explained that the program was established in 2010 in response to the recommendations from the Northern Australia Land and Water Task Force. The committee heard that the program operates in collaboration with the governments of the Northern Territory, Queensland and Western Australia and seeks to address issues that are critically important to the long-term sustainability of the region.<sup>27</sup>

4.27 The committee sought an update on the North Queensland Irrigated Agriculture Strategy. Mr Dickson told the committee that the department, the

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23 *Estimates Hansard*, 30 May 2013, p. 51.

24 *Estimates Hansard*, 30 May 2013, p. 51.

25 *Estimates Hansard*, 30 May 2013, p. 9.

26 *Estimates Hansard*, 30 May 2013, pp 10–11.

27 *Estimates Hansard*, 30 May 2013, pp. 52–53.

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Commonwealth Scientific and Industrial Research Organisation, and the Queensland Department of Agriculture, Fisheries and Forestry have collaborated on the strategy, which is expected to be completed by December 2013. The strategy focuses specifically on modelling the Gilbert and Flinders rivers to identify how much water can be sustainably extracted from the rivers to support commercial agricultural development.<sup>28</sup>

4.28 The committee asked officials to advise when the individual funding for each of the Regional Development Australia committees (RDAs) will be announced. Mr Simon Atkinson, First Assistant Secretary advised that the funding agreements were being finalised and it is expected that the payments to RDAs will commence at the start of July 2013.<sup>29</sup>

4.29 The committee asked officials to provide an update in relation to the Community Infrastructure Grants program. Mr Gordon McCormack, Assistant Secretary, provided an update on the following projects:

- Northern Territory BMX Association;
- Jingili BMX Club upgrade;
- Cairns District Junior Jones Park Rugby League;
- the City of Greater Geelong;
- Belmont Lions Netball Club;
- Colac Otway Shire and Sporting Precinct;
- Kempsey Airport upgrade;
- Ryde Riverwalk;
- Port Stephens Council;
- Birubi Point Surf Lifesaving Club;
- Mackay Regional Council and Junior Soccer Club;
- Monbulk Soccer Club;
- Taree road maintenance;
- Bucketts Way upgrade; and
- Port Macquarie Indoor Sports Complex.<sup>30</sup>

4.30 The committee enquired into the level of support and assistance that is provided to the RDAs. Ms Foster told the committee that:

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28 *Estimates Hansard*, 30 May 2013, pp 54–55.

29 *Estimates Hansard*, 30 May 2013, p. 57.

30 *Estimates Hansard*, 30 May 2013, pp 59–60.

The support ranges from information flows, so ensuring that the RDAs have access to grants programs that are being announced across the government, information on major initiatives to share with their communities that might be of benefit to them to obviously the funding that we provide for their set-up and operation, and from time to time specific funding to carry out particular initiatives. We provide them with regular newsletters and with support on administrative issues, if they are having challenges with their staffing, for example. So, that is a pretty broad range of support.<sup>31</sup>

4.31 In continuing its interest from previous estimates hearings, the committee sought an update in relation to the Unity Housing Affordable Housing Project. Mr McCormack told the committee that the second payment for milestone 2 of \$1 million is due to be paid on 15 September 2013 and is subject to the following conditions being met:

- 25 per cent completion of the project;
- all statutory approvals are obtained; and
- evidence of contributions being secure.<sup>32</sup>

4.32 The committee also discussed the following topics:

- funding allocated to round 3 of RDAs;
- the establishment of an RDA committee in western Sydney;
- funding for the Dunalley Community Hall;
- the West Arnhem Land Fire Abatement Scheme;
- progress update on the Wakefield Regional Water Supply project; and
- the Murray-Darling Basin Regional Diversification Program.<sup>33</sup>

## Local Government

4.33 The committee discussed at length the announcement by the Prime Minister the Hon Julia Gillard MP, the Minister for Regional Development and Local Government the Hon Anthony Albanese MP and the Attorney General the Hon Mark Dreyfus QC MP to hold a referendum to change the Constitution to recognise local government. The referendum will coincide with the Federal election on 14 September 2013.<sup>34</sup>

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31 *Estimates Hansard*, 30 May 2013, p. 72.

32 *Estimates Hansard*, 30 May 2013, p. 77.

33 *Estimates Hansard*, 30 May 2013, pp 61–65, 67–69, 75, and 77–82.

34 The Hon Julia Gillard MP, Prime Minister of Australia, the Hon Anthony Albanese MP, Minister for Regional Development and Local Government, and the Hon Mark Dreyfus QC MP, Attorney General, 'Transcript of Joint Press Conference', Media Release, 9 May 2013 [www.pm.gov.au/press-office/transcript-joint-press-conference-52](http://www.pm.gov.au/press-office/transcript-joint-press-conference-52) (accessed 17 June 2013).



4.34 The committee heard that currently there is no constitutional provision for the Commonwealth government to provide funding directly to local governments. The proposed amendment to Section 96 of the Constitution would make a specific provision for the Commonwealth government granting financial assistance to local government bodies.<sup>35</sup>

4.35 The committee discussed the work of the Constitutional Recognition of Local Government Taskforce. Ms Beauchamp explained that the department was allocated \$10 million in the 2013-14 Budget to develop a civics campaign to inform voters of the referendum.<sup>36</sup>

4.36 The committee also discussed the following topics related to the referendum for constitutional recognition of local governments:

- the proposed wording of the amendment to Section 96 of the Constitution;
- the ongoing negotiations with state governments regarding the wording of the proposed wording of the bill;
- the findings of the Expert Panel on Constitutional Recognition of Local Government;
- the process for forming the 'yes' and 'no' case;
- funding of the 'yes' and 'no' cases; and
- the department's contact with the Australian Local Government Association.<sup>37</sup>

## Services to Territories

4.37 The committee sought clarification to an answer to a question on notice from Additional Estimates regarding Air New Zealand's contract to provide air services to the Norfolk Island. Ms Fleming, First Assistant Secretary, told the committee that the department will be shortly going out to re-tender air services to Norfolk Island and did not want to signal to the market the level of subsidy on offer from the Australian government.<sup>38</sup>

4.38 The committee asked officials to explain why the Australian government does not provide funding to Norfolk Island for the purpose of marketing and tourism development. Ms Fleming explained that in relation to tourism development it is considered to be a responsibility of the Norfolk Island government.<sup>39</sup>

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35 *Estimates Hansard*, 30 May 2013, pp 85–86.

36 *Estimates Hansard*, 30 May 2013, pp 6–7.

37 *Estimates Hansard*, 30 May 2013, pp 87–106.

38 *Estimates Hansard*, 30 May 2013, p. 107.

39 *Estimates Hansard*, 30 May 2013, p. 107.

4.39 The committee sought an update in relation to the Norfolk Island Reform Package. Ms Fleming explained that:

We will be talking to the Norfolk Island government about the next funding agreement. As part of that funding agreement, we will be negotiating with them some further ongoing reforms and changes to the structure of their economy where we can look at things. We were also provided with a further million dollars in the budget for the 2013-14 year to cover a range of support activities for the government around enhancements in governance. That might include performance audits and financial statement audits, support in family and child services, support for apprenticeship schemes—areas in which we can assist the economy and the productivity of Norfolk Island.<sup>40</sup>

4.40 The committee also discussed the following topics in relation to Norfolk Island:

- extending tax and social security reforms;
- establishing a community food bank;
- ongoing emergency funding;
- the Commonwealth funded review of Norfolk Island's child and family health services; and
- the resealing of Norfolk Island airport runway.<sup>41</sup>

**Senator Glenn Sterle**  
**Chair**

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40 *Estimate Hansard*, 30 May 2013, p. 112.

41 *Estimates Hansard*, 30 May 2013, pp 112–115.