



Public Sector
Commission

Agency Capability

Department of Local Government, Sport and Cultural Industries

Executive summary



March 2023

Introduction

A review of the Department of Local Government, Sport and Cultural Industries under the trial of the [Agency Capability Review Program](#) was carried out from July 2022 to January 2023.

The agency has a significant role in supporting, guiding and investing in a number of industries key to both community wellbeing and the economic development of Western Australia.

It has undertaken considerable work in the last 18 months in identifying areas for improvement and is progressing this. Much of it is still at an early stage and has taken place at the same time as the agency has dealt with some significant issues such as the outcomes of the Perth Casino Royal Commission, local government reform, a large commitment to grants delivery as part of COVID-19 recovery, an increasing number of government infrastructure priorities, and a large backlog of unresolved audit matters.

The findings of this review around securing economic investment and reducing levels of risk in built assets, achieving collective outcomes through improved grant investment and managing for efficiency through a strengthened approach to results aim to support the agency enhance the value, viability and appreciation of the industries and sectors it serves.

The commitment to date and engagement with this review is testament to the executive's ability to continue the improvement journey. This review will support this work and highlight areas that warrant particular attention.

About the Agency Capability Review Program

The Agency Capability Review Program takes a comprehensive, whole of sector approach to improvement. It sets standards based on a clear understanding of what constitutes a high performing public sector agency in Western Australia.

The program is being trialled over 2 years (2021-22 and 2022-23) in 8 government agencies. This review is one of 3 undertaken at the same time.

Reviews provide valuable insight into how agencies can improve and deliver the quality of services expected of them. They also contribute to the development and improvement of the sector as a whole.

Reviews are conducted by independent lead reviewers with public administration expertise and experience. They are supported by senior executives from the government sector who are co-opted for each review as well as the Agency Capability Review team at the Public Sector Commission.

Each review is conducted against a standardised [Agency Capability Framework](#) of the 5 most significant areas of public sector management and administration. The framework is relevant and applicable to all agencies regardless of their remit, purpose, functions and services.

The framework supports agencies to ask 4 key questions:

- What are we meant to achieve?
- How well are we currently doing it?
- How do we know?
- Where can we do better?

Agency background

The agency is led by the Director General, Lanie Chopping, who was appointed in March 2022. The executive structure reflects the industries and ministerial portfolios the agency supports and the 2 deputy directors general have strategic and horizontal roles across the agency.

The current structure is:

- Corporate Services
- Culture and the Arts
- Infrastructure
- Local Government
- Office of Multicultural Interests
- Racing, Gaming and Liquor
- Specialist Aboriginal Projects and Engagement (including the Aboriginal History Unit)
- Sport and Recreation
- Strategy and Performance Accountability.

The State Records Office, which sits in the agency, plays a cross-government role in information management.

Agency staff are assigned to deliver functions on behalf of the Gaming and Wagering Commission, Combat Sports Commission, Local Government Standards Panel and Local Government Advisory Board. A large portion of staff who support the functions of the Arts and Culture Trust, Art Gallery of Western Australia, Western Australian Museum and State Library of Western Australia are agency employees with the Director General as the employing authority.

At September 2022, the agency employed 1,227 staff (988 FTE). The 2022-23 budget allocation was \$517.4 million.

The agency has relationships with 29 boards and committees. The governing legislation and diversity of each board and committee contributes to a complex operating environment for the agency.

The agency has a significant role in supporting, guiding and investing in a number of industries key to both community wellbeing and economic development. These include racing, wagering and licensing; arts and culture; local government; sport and recreation; multicultural interests; and Aboriginal history. It has a lead role in the development of the Aboriginal Cultural Centre. It is responsible for a large asset portfolio and plays a significant role in sporting and cultural infrastructure developments in the state.

Future operating environment

The agency has major infrastructure projects underway including new builds and a backlog of maintenance. Ensuring it has a sufficient complement of qualified staff to deliver is a priority, noting the extreme difficulty in attracting staff with these skills at the present time.

In terms of stakeholders and citizens, the agency is reviewing its grants systems and this should improve outcomes for the arts and culture, and sport and recreation sectors. In so doing, the agency also needs to look at its digital infrastructure and

technology capabilities which are not yet fit for purpose and pose a level of frustration for users.

It is also important for the agency to strive for efficient working relationships with ministerial offices, and to continue developing a collegial and supportive approach to the cultural statutory authorities.

Expectations from both within and external to government will require the agency to be responsive and agile to successfully implement the outcomes of the Royal Commission into the Perth Casino and the Local Government Reform package; deliver major infrastructure projects such as the Aboriginal Cultural Centre, State Football Centre and new Screen Production Facility; put in place the Banned Drinkers Register; and prepare for the requirements of the forthcoming *Privacy Legislation Amendment (Enforcement and Other Measures) Act 2022 (Cth)*.

The review process

The review was undertaken by Emeritus Professor Margaret Seares AO as the independent lead reviewer with support from Christine Thompson as Senior Reviewer from the Public Sector Commission, and the Commission's Agency Capability Review team.

Professor Seares has had lengthy involvement in public administration, education and the arts, and held the position of Chief Executive Officer of the former WA Department for the Arts from 1995 to 1997. From 1997 to 2001 she was the first Western Australian to chair the Australian Council for the Arts. She is also a member of a wide range of boards and councils.

The review looked at all 21 capabilities and identified 3 lines of inquiry for in-depth investigation. This involved further engagement and investigation with the agency, and research into how practices might be improved and capability gaps addressed.

The review also identified strengths that the agency and sector can build on and share.

The review involved 6 months of investigation and research, collecting information from the following:

- a comprehensive review of a large number of published and unpublished documents
- 119 stakeholder meetings and workshops and submissions from individuals and groups
- a self assessment by corporate executive against the Agency Capability Framework
- 2 half day corporate executive workshops, and several briefings and meetings with the Director General and executive team
- individual interviews with each corporate executive member
- a comprehensive capability questionnaire gauging staff perceptions of the agency's capabilities
- a 'Have Your Say' challenge inviting staff to share what the agency does well, what can be improved and ideas for improvement.

What the review found

- Over the past 18 months the agency has made considerable progress in improving governance practices, engagement within government and establishing more effective management processes. Likewise, much has been done to re-set the agency as a key contributor to, and collaborator in, state and sector initiatives.
- The agency's focus on improving governance, controls and administration has come at the same time as it has also had to deliver additional services including new grants and infrastructure projects as well as ongoing work related to the Perth Casino Royal Commission and local government reforms. This has been challenging.
- A number of stakeholders report a deterioration in timely advice and support, and delays in the delivery of initiatives and projects. They have attributed this to business areas delivering additional services and loss of staff knowledge and experience.
- The agency's various functions tend to operate discretely, limiting the opportunities that were identified when the agency was established. Staff and structural instability since then appear to have exacerbated this and hindered a more collective approach.
- Grants are a crucial part of stimulating the economy and developing industries and the community. The agency should consider an overarching strategy for the grants program and the investment this represents, and also review the many legacy ICT and data systems that support the grants function.
- The agency's building asset base has grown exponentially but assets are not managed consistently. Internal resourcing of asset management has not grown in line with the asset base expansion, and systems for overseeing and monitoring the performance of assets need to be enhanced.
- To maximise strategic investment by the state, effective relationships with the cultural statutory authorities should continue to be a priority.
- The agency provides staffing and support to a range of bodies (for example, Combat Sports Commission, Gaming and Wagering Commission, and Liquor Commission) that oversee and regulate high risk industries. This responsibility requires the agency to have a clear understanding of these industries and the functions of these bodies, complemented by consistent approaches to supporting them through adequate resourcing, systems and processes.
- The agency's Office of Multicultural Interests has strong citizen focus and informed strategic policy which have been achieved through a participative approach that brings culturally and linguistically diverse perspectives to decision making. The agency should look to how this approach can be adapted to improve other areas of its work.
- The agency's approach to leading the development of the Aboriginal Cultural Centre is an example of genuine and meaningful engagement for effective co-design.

- Over recent years, the human resources function has largely been transactional and limited to payroll, contract and leave services. A more strategic approach is needed.

Lines of inquiry

Following analysis and assessment of the agency's capability, 3 lines of inquiry were developed to inform areas of focus and to direct performance improvement efforts. All 3 will take significant planning, time and resourcing to ensure they achieve effective long term results.

Line of inquiry 1: Asset management – securing economic investment and reducing levels of risk

The agency is responsible for managing a significant number of assets including heritage buildings, museums, galleries, performing arts centres and recreation camps in metropolitan Perth and regional Western Australia. Most infrastructure assets are public use and, if inadequately managed, there is consequential risk to public safety and closure.

Stakeholders report that more needs to be done in asset maintenance, particularly in relation to split responsibility for assets across different areas, asset management IT systems, and investment in staff capability in these areas. Financial resourcing of asset management needs to be considered in line with its expansion.

Culture and the arts assets are managed by a small asset maintenance team in the infrastructure division. Filling positions in the current employment market has been challenging. Other business units in the infrastructure division also manage the delivery of new projects and funding programs. The sport and recreation division is responsible for maintenance of recreation camps and this function is performed locally by camp staff. This separation of maintenance functions has resulted in a disjointed approach to maintenance across the agency.

A more proactive approach to asset management is needed with more attention to preventative maintenance and lifecycle management. The agency is making a concerted effort to understand and map the maintenance required.

The agency has received an unprecedented level of stimulus and capital funding for new infrastructure projects since 2020. It currently has multiple multi-million dollar projects to deliver as well as smaller projects in metropolitan Perth and the regions including swimming pools, skateparks and recreation centres. With the increased amount of stimulus funding and number of capital projects now overseen by the agency, maintenance of already owned and managed buildings should be a priority.

In the future, the agency will continue to deliver government priorities, projects and initiatives and should work towards embedding sustainable asset management practices to maximise value of the current portfolio. The agency needs to ensure its focus is clear to all parties and is communicated regularly.

Line of inquiry 2: Strategic policy and service improvement – ensuring collective state outcomes through grant investment

The agency currently administers and manages 48 grant programs across the following portfolios:

- Culture and the Arts
- Infrastructure
- Local Government
- Office of Multicultural Interests
- Racing, Gaming and Liquor
- Sport and Recreation.

These grants are administered to a diverse range of individuals and groups to support industry and community development.

According to the 2022-23 state budget papers, the agency delivered \$142.8m in controlled grants and subsidies to its supported sectors in 2020-21. Comparatively, in 2021-22, the agency delivered \$268.2m in controlled grants and subsidies, an increase of over \$125m. In the current financial year, the agency is budgeted to deliver \$303.4m of controlled grants and subsidies, an increase on the previous year of approximately \$35m.

The agency's ability to provide services with sufficient focus on WA citizens and end users needs a whole of agency purpose, strategic direction, adequate management system and consistent practices for administering grants.

An overarching strategy that articulates the desired outcomes to be achieved through the grants function, key performance indicators on how grants contribute to the industries and communities they aim to support is needed. This is reiterated by a number of stakeholders who suggest grant activities are not conducted in a consistent or user centric way or within a guiding strategy.

Given the range and number of grants administered by agencies across government, the review looked for but did not see any evidence of how grants managed by this agency contribute to a whole of government focus to achieve greater combined outcomes for the community. There is clearly an opportunity for a more effective government wide approach for overseeing grant investment.

Further complicating this are the 6 discrete systems and areas in the agency that manage grants. They generally work independently of each other and need a more consistent approach.

The agency is in the process of scoping a project to deliver a new framework to include all areas of the agency that oversee grant programs.

Line of inquiry 3: Results – an outcome focused approach and managing for efficiency

Over the past 18 months, the agency has focused attention on governance, control and administration process requirements due to significant deficiencies identified through internal and external audits. In focusing on this, the agency has bolstered staffing resources in these areas, introduced new processes and revised delegations.

At the same time, however, demands on service delivery through additional grants and new infrastructure as well as ongoing work related to the Perth Casino Royal Commission and local government reforms has increased. Staffing resources to support this increase needs to be considered in parallel. This should be coupled with appropriate IT systems, supporting processes and a focus on improving staff capability, to ensure service outcomes are not further affected.

There are opportunities for the agency to move towards a more strategic, seamless approach to outcome delivery by reviewing and revising processes and delegations that affect timeliness and ensuring appropriate levels of staffing across business areas.

Consultation with service recipients and stakeholders reveals some frustration with communication and support from the agency in terms of providing accurate and useful information about the progression of matters, including licenses and grants. This can be attributed to different systems being used to record information and a separate and unconnected system for tracking, as well as a perceived lack of stakeholder perspectives on needing accurate and timely information.

Various stakeholders report they have not received information and advice in a timely manner or have experienced variations in the quality of advice from the agency.

An examination of the significant number of legacy systems and multiple platforms for storing and tracking work and approvals, is required to avoid further inefficiencies and double handling. Timeframes are made more challenging due to current delegations and workflow requirements, resulting in an inordinate amount of work going to the executive level for decisions.

Areas of strength

Area of strength 1: Cross agency buy-in to address audit findings

Acknowledging the breadth and depth of its interface with the community and the importance of strong governance, the agency has committed to proactively addressing audit recommendations to mitigate identified risks and redesign processes aligned to audits.

When the current Director General commenced in May 2021, the number of outstanding audit findings stood at 205. They covered a cross section of the agency with a substantial number relating to the local government and corporate services portfolios. With considerable investment, focus and support from the new executive, the agency succeeded in closing (or proposing the closure) of 105 findings in 12 months. The strength of the agency's approach is the combination of executive leadership encouraging a continuous improvement lens to audit findings, staff engagement and commitment to address the audit findings, and dedicated resources to support staff.

To address the high number of outstanding audit findings, the agency undertook a number of activities with a focus on:

- improving organisational awareness of audit and governance
- improving accountability at executive level on audit issues
- strengthening relationships with the Office of the Auditor General
- resourcing functional areas to tackle audit matters
- bolstering corporate executive reporting and tracking
- leveraging external expert advice.

The agency also engaged an audit service provider to support its response to the findings and enhance internal capability.

The strategy and performance accountability portfolio also developed an audit roadshow which was delivered in 7 presentations to staff in the functional and central areas of the agency.

Area of strength 2: Multifaceted approach to culturally and linguistically diverse perspectives

The agency's Office of Multicultural Interests has been recognised by federal and state governments as a leader in citizen focus and strategic policy in developing a participative and multifaceted approach that brings culturally and linguistically diverse perspectives to decision making. One example is in putting culturally and linguistically diverse communities on the mental health agenda which has been recognised by the Mental Health Commission.

The following are examples of the approaches to advocate on behalf of, and improve awareness of, the specific needs and challenges of culturally and linguistically diverse communities in the context of accessing mental health services.

Written submissions

The office ensures issues faced by culturally and linguistically diverse people are raised and considered as a priority or target population. It has been particularly active in providing written contributions to foundational policies on mental health in the state.

Representation

The office actively seeks representation on committees and working groups to:

- highlight mental health issues facing culturally and linguistically diverse communities
- advocate for culturally appropriate service delivery
- advocate for culturally and linguistically diverse community representation on key decision making forums.

Information, advice and facilitation

The office is frequently contacted for information and advice regarding appropriate organisations to approach for consultation on mental health issues.

This multifaceted approach offers a relatively transferable model of good practice in citizen focus and strategic policy that could be adapted or leveraged to benefit other portfolios in the agency as well as other agencies.

Area of strength 3: Cultural authority in planning for the Aboriginal Cultural Centre

Planning for the Aboriginal Cultural Centre has involved extensive engagement with Aboriginal people and communities across WA. A strength of the agency has been the development of the Aboriginal engagement strategy which underpins this project and has guided the involvement of Aboriginal people to inform and participate in the decision making process.

The most significant feature to date has been the establishment and delegation of decision making through representative groups.

The strategy demonstrates the agency's commitment to genuine and meaningful engagement with Aboriginal people on projects and services that affect them and their communities. The strategy established the following:

Whadjuk Elders Group: Responsible for reaching agreement on engagement protocols, consultation frameworks and processes, incorporating Aboriginal ceremony, endorsing cultural narrative and establishing the Whadjuk Reference group.

Whadjuk Reference Group: Responsible for reporting back to the Whadjuk Elders Group to provide updates on the project and seek advice.

Whadjuk Aboriginal Cultural Centre Cultural Authority: Designed to be the conduit to invite firstly Noongar representatives and then other regional Aboriginal representatives to discuss matters relating to the project; makes decisions within its delegation from the Whadjuk Reference Group.

Project Steering Committee: Provides overarching governance for the project and the Whadjuk representatives, with delegation from the Elders Group, critical cultural knowledge, guidance and direction in planning the project.

Vesting authority for specific decisions: Cultural decision making processes were followed in selecting the site for the location of the centre.

Embedding culture in the project: Demonstrating commitment to genuine and meaningful engagement, project documentation is overlaid with Noongar language and understanding, with project stages represented in terms of the 6 seasons of the

Noongar seasonal calendar as an example. In addition, opportunities to teach and undertake Noongar language lessons encourage the steering committee and project team members to share and build cultural knowledge in meaningful ways.



We are proud to deliver our services from Whadjuk Noongar boodja. We acknowledge and pay respect to Elders, Traditional Owners and Custodians from the many land and language groups of Western Australia.

Copies are available in different formats on request.

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