

LOTTERIES COMMISSION AMENDMENT BILL 2011

Second Reading

Resumed from an earlier stage of the sitting.

MS J.M. FREEMAN (Nollamara) [3.02 pm]: Earlier, I was discussing the delays and cost shifting in some departments. The Office of Multicultural Interests has recently cost-shifted its funding for community celebrations such as national days. I want to point out to the Premier that I strongly believe that the First Click and Second Click training is a very important program in our communities. Many community organisations in our electorates make use of the funding for that and were greatly disappointed when that funding was cut recently. I understand that many of those organisations have now asked Lotterywest for additional funding for the First Click and Second Click programs because of its valuable nature to the community, particularly for seniors, people with disabilities, newly arrived Australians and various other people who need computer training. There is a great and increasing concern that the government is cost shifting funding for programs to Lotterywest, which contributes its valuable resources to the community. It will be interesting to see whether Lotterywest picks up the funding for First Click and Second Click programs. If so, it will indicate that that sort of cost shifting is going on, in which case core education services that the government should be funding for the general community are being cost-shifted to Lotterywest, which is a valuable resource for community funding.

Cost shifting causes additional problems in that previously efficient and timely funding becomes delayed and it is a much more onerous process. I talked earlier about the community celebrations that have been cost-shifted by the Office of Multicultural Interests to Lotterywest. I am working with the community sector to get a feasibility study done into a joint facility in Mirrabooka for what is known as Lotteries House. Members know that Mirrabooka is a large suburb with a number of community organisations that provide the community and those in need with great services. Those organisations face the problem of increased rents and, as the member for Cannington said, they are unable to spend money on capital works because of the type of accommodation in which their premises are located. The community has talked for some time about the need for a Lotteries House-type joint facility in the area that could be tenanted by many important community service providers. I met on a number of occasions with Lotterywest, and it was extremely helpful. But it said that we must get the funding in the first instance for a feasibility study before getting to the point at which Lotterywest can say whether we can have that type of joint facility. We are about to spend 20-odd grand on a proposal to get money for the building. One would think that that would be relatively easy, but we put in that application in December—clearly I could not auspice it; that was done by another agency—and the application still has not been before the board, some six months later. That sort of delay, for a matter that should be relatively easy, is a symptom of an organisation that is obviously having problems meeting the demands placed on it because of the unconscionable cost shifting that seems to be occurring under this government and the greater demand placed on the agency to deliver more services to the community.

I will plug for a Lotteries House and the need for that type of joint facility in Mirrabooka. I googled where Lotteries Houses are and found that there is at least one in Esperance, Armadale, Gosnells, Nedlands, Broome, Joondalup, Geraldton, Mandurah, Mt Claremont, Carnarvon, Kalgoorlie, South Hedland, Karratha, Albany, and two in Perth, at Claisebrook and West Perth. However, in Mirrabooka, an area that delivers important services, there is no joint facility such as Lotteries House. It is somewhat disappointing for the community to have to do a feasibility study instead of moving straight to the immediate matter of making an application for a joint facility. Proposed section 6(3)(c) of the Lotteries Commission Amendment Bill 2011 states —

... to provide consultancy or advisory services to that person or body, whether for a fee or not.

I will be interested to know whether Lotterywest's new capability to provide consultancy work and do that type of initial preparation work will allow Lotterywest to produce a feasibility report for such Lotteries House facilities, and also enable it to save a lot of money and the community a lot of time.

I note from the Lotterywest annual report for 2010–11 that the actual total sales—that is, the income that went into Lotterywest—was down 2.6 per cent on the previous year and that it has not reached its sales target for the past two years. Lotterywest's target of \$720 million was well and truly not met; its total sales was \$683 million. I looked at all the different funding and I am interested to know whether the percentages of funding allocated to areas have stayed stable over the years or whether, because of that decline, certain communities have been impacted on more than others. In saying that, I commend the member for Cannington's comments. Borne out through the annual report is the member's comments that the quiet majority who —

[Member's time extended.]

Ms J.M. FREEMAN: There is evidence that the demographics of the groups of people who buy Lotterywest's products to enter the draws—I do not know all the technical terms because I do not often buy a lottery ticket; I think I must have bought a lotto ticket once—are lower-income groups, and they have reduced their expenditure

on lottery products as the cost of living has increased in recent times. I am trying to illustrate the member for Cannington's comments that so much of the revenue generated is from working-class and lower-income areas and therefore there is a responsibility on the organisation. I am sure that the organisation tries to keep this in mind, but I think there is an even greater responsibility on it to ensure that the returns go into the areas where it makes its greatest revenue, thereby ensuring that things are delivered to those communities through their purchasing habits.

I also noticed that the 2011 annual report states —

‘Syndicates through the terminal’, a service to replace the previous manual service offered by most retailers to their players, was launched early in 2010. This has been taken up with increasing enthusiasm by retailers and players.

I want explained, Premier, whether that “syndicates through the terminal system” is different from the changes proposed in the Lotteries Commission Amendment Bill or whether since early 2010 the syndicates through the terminal service has been operating in the absence of legislation. That would cause some concern. The report also states —

It is a far more efficient way of managing this very popular service, greatly reduces the risk of retailer error and gives the player a real ticket (rather than a receipt for the share of the ticket held by the retailer) which can be claimed at any retail outlet.

Therefore, I am interested to have some clarification of whether Lotterywest has been operating that syndicate service since 2010 in the absence of legislation. I also note that page 2 of the explanatory memorandum states —

It is not anticipated at this time that these syndicates would be offered through the Lotterywest ‘Play Online’ channel.

I want clarification of why that would be. Is it because it gives the competitive advantage to retailers? Is it because it is more difficult to manage? It seems to me that if people want to enter into a syndicate arrangement, they should have that capacity irrespective of whether they play online. I, like my colleagues, have concerns about the online capacity. I think it needs monitoring. I agree with the member for Cannington about the monitoring of that sort of system. To take into account some of the issues that have been raised today, it would be worthwhile putting the monitoring and operation of Lotterywest to a parliamentary committee. Certainly, that sort of bipartisan approach can ensure that we get a full and rounded debate on the sorts of issues that we have raised.

I congratulate the Western Australian government. Page 18 of the 2011 annual report states —

The Western Australian Government has made clear that privatisation of Lotterywest is not an option it proposes to consider.

I would welcome the Premier's confirmation of that in *Hansard* because the annual report also noted an international trend to debate the structure of the lottery industry and that some countries license private lottery operators. My very strong view is that Lotterywest does a great job. One of our strengths, I suppose, in the debate on gambling and around this vexed issue is that Lotterywest maintains its public ownership. I look forward to the Premier reaffirming what is outlined in the 2011 annual report. With those comments, I thank the house for the capacity to contribute to this debate.

MS L.L. BAKER (Maylands) [3.17 pm]: I will speak briefly on the Lotteries Commission Amendment Bill 2011. It is hard to know where to start. We are a lucky state to have such a remarkable organisation. The foresight shown in establishing Lotterywest means that we are now in the very enviable position—we are envied across Australia—of not having to rely on poker machines to raise funding for our sports organisations and the like. That is truly remarkable and should never, ever change.

Starting with those words, at the local level and personally I have had a very long relationship with Lotterywest. Obviously, as the CEO of the Western Australian Council of Social Service for seven years, I had a lot of experience in working very closely with this remarkable organisation. When this project was first being scoped, a long time ago now, I was aware of the incredible work that the CEO and all the executives at Lotterywest did to bring this organisation into the future with some remarkable technology and to keep it as a cutting-edge organisation that we can be proud of. This legislation will at least go a long way to ensure that Lotterywest keeps serving our community so fantastically well. Congratulations to the government for getting this bill into the house for debate. It is a very positive move.

I can speak from the community's perspective and say that the changes made over recent years, such as the online application form for community groups, are a revelation in many ways. I remember that supplying the constitution, all the bookwork and other information every time a community group put a grant application in to Lotterywest, was a very time-consuming and paper-wasting exercise! Groups had to provide the same information every time, every year, at every opportunity that they tried to look for new projects and new ideas.

This online capacity solved that problem, so now small organisations have a much more streamlined and faster process to put in their applications. That is absolutely laudable.

There is quite a long turnaround time for grants. It still takes four to five months before a group finds out whether its application has been successful. Members have community groups in their electorates that put in applications. I challenge members to drive down a single street in most electorates and find somewhere that Lotterywest has not brought its wonderful presence, where it has not contributed somehow to the fabric of our community. I think its presence is just about in every corner of every street of every community in our state. It takes four to five months for groups to get their small capacity building or professional development grants. I ask on the record whether Lotterywest, which reviews its practices regularly, could look at a faster turnaround time, while keeping the integrity and transparency of the process intact, and allow small groups to move quickly and responsively to the very demanding role that the new funding has brought them with extra requirements for accountability under the new funding regime. A lot of these groups are trying to build their own capacity and undertake more professional development and new training activities. It would be good for them to have a quicker turnaround.

From my experience as a former chief executive officer of WACOSS, I found it somewhat difficult when, on many occasions, I was asked by regionally based small not-for-profit, non-government organisations, particularly around the goldfields and out from Geraldton towards Mullewa, to help them with their records management system or an application for a small Lotterywest grant. Those organisations found it a struggle to compile their submissions. The kind of role that peak organisations play in our community is to help small organisations compile submissions to Lotterywest. I am not saying that Lotterywest does not offer a fantastic service in that respect; it does, but I should perhaps mention that the peak organisations that look after the very diverse community sector in Western Australia play a fundamental role in helping the small NGOs put their submissions together. I found it very difficult because WACOSS did not have the funding to provide a service in the outer regional isolated areas to help small NGOs develop their submissions. I sometimes felt a great sadness about that. I could not offer many alternative ways of helping these groups because some of the submission work requires face-to-face consideration to see what they have on the ground, how their organisation works and what their dreams and aspirations are. Having said that, I think the role of the peak organisations should be acknowledged for their help with those submissions and for their help with Lotterywest.

I would like to mention also the fantastic work Lotterywest has done in my electorate of late. I went to the ballet last Friday night where I saw many of my colleagues. The West Australian Ballet Co has received a \$300 000 grant from Lotterywest, along with the state government and the City of Bayswater, which has helped that wonderful organisation to move into my electorate, and I am very proud that it has done so. The West Australian Ballet Co has received a very substantial grant from Lotterywest, and that must be acknowledged.

I have been to the Buddha's Light International Association Festival, and the Buddhist Council of WA has recently received a grant from Lotterywest as has the Bayswater Drill Hall and Family Centre and the intergenerational playgroup in Bayswater. They are all great projects that would not be able to cope without the support of this wonderful, iconic organisation. As occurs in many local governments in our electorates, the City of Bayswater Child Care Association is a Lotterywest beneficiary, which is an example of the kind of funding that finds its way into many of the nooks and crannies that need support.

Some personal friends of mine in the Maylands Historical and Peninsula Association have received grants to help them do the important recording work of the history of the electorate. As we heard from my colleague the member for Kingsley earlier today, it is National Volunteer Week. I have just looked at the Lotterywest annual report, and I will quickly read out the volunteering group grants. The Volunteer Centre of WA received \$559 633; Volunteer Marine Rescue Centre, Shark Bay, \$30 000; Volunteer Marine Rescue WA, \$245 000; Volunteer Resource Centre Manjimup, \$589 332; Volunteer South West, \$9 619; and the Volunteer Taskforce \$57 992. They are fantastic. Can members imagine how those groups would cope if they did not have that support from this incredible organisation. The support the government continues to give Lotterywest is to be acknowledged.

In closing, I would like to mention a project that will benefit communities from both a health and welfare perspective. Members opposite who know my background will smile when they hear that it is a big idea I have taken from New Zealand. The New Zealand RSPCA has established a caravan from which a team undertakes animal de-sexing throughout regional and remote communities. I raise that because this is an extremely necessary service that Western Australians should have access to. In isolated communities in Western Australia, particularly Indigenous communities, children suffer very bad health problems such as glue ear and learning problems due to the often unhealthy conditions they live in. That is contributed to by some of the unmanaged, unwanted and uncared for animals that breed and live in those camp sites and communities and are not managed very well. It is impossible for communities—indeed, it is not even on the radar of many communities—to sterilise the animals and interrupt their breeding and therefore begin to manage them and perhaps tackle diseases

that way. There are ideas about how to do that. People living in country towns in the north west can pay up to \$600 to have an animal sterilised. That is not affordable by many people who live in isolated communities. A few features of the way the New Zealanders have done this work might be of interest to the Premier. The New Zealand Animal Protection Society has a memorandum of understanding with its New Zealand Veterinary Association, which was a bit sceptical about the idea originally, because it was worried the mobile service would compete with clinics and take away from their income. However, it is a requirement that to access the mobile sterilisation service, people must be on low incomes, so they must have a concession card or a gold card or be on a pension of some sort. They have to prove they are on low incomes. That reassures the veterinary association that the mobile service is not targeting the same people as association vets. As I said, it is hardly likely that these groups in low-income areas will be able to afford \$600 to sterilise a cat or a dog. The New Zealanders spent about \$NZ200 000 on the net cost of the equipment and another \$NZ100 000 on set-up costs, and it costs about \$NZ26 000 a month to run the service. There are scales of efficiency, of course. A husband and wife team tows the caravan around and spends a month in each destination. I think it is a big idea; it is a big project and I am being a bit cheeky bringing it up in this context, but it is well worth thinking about in terms of some of the early childhood diseases in our Indigenous communities that other members have spoken about today and previously in this place, and around the care and protection of animals in those communities. Thank you, Premier; I look forward to consideration in detail.

Point of Order

Mr C.J. BARNETT: Is that the last speaker from the opposition?

Ms L.L. Baker: Yes.

Ms R. Saffioti: The member for Perth.

Mr C.J. BARNETT: Unless the Acting Speaker allows me to sit down for another person to stand, that will be the end of the second reading. I am in your hands, Acting Speaker.

An opposition member interjected.

The ACTING SPEAKER (Mr P.B. Watson): No; the member for Perth is not in the house and the Premier is on his feet.

Debate Resumed

MR C.J. BARNETT (Cottesloe — Premier) [3.29 pm] — in reply: I was willing to accommodate, but if the opposition speakers on the Lotteries Commission Amendment Bill are not here, there is not much I can do about it.

I thank members for their comments, and in particular for their general comments in support of Lotterywest and the work it does as a government-owned entity, ensuring that all the proceeds are directed to worthy causes in our community. I also appreciate—I am sure Lotterywest also would appreciate—the generally complimentary comments made about Lotterywest and the way it engages with various organisations in our community and for the objectivity with which it works. Some interesting comments were also made about the changing nature of the lotteries business in terms of going online, and risk gambling and the like. I will do my best to work through those comments made.

The first comments were from the member for Mandurah. He reminded us of exactly what the legislation is about. There are two relatively minor amendments to the Lotteries Commission Act. The first is to allow Lotterywest itself to conduct syndicates. Lottery agents can already do that, but this will allow Lotterywest to do so. The second is to enable Lotterywest, in very limited circumstances, to charge a consultancy fee when it is asked to do a particular task. The member asked a number of specific questions, and I think I can answer most of them. If not, I will correspond with him separately. He asked me what the commission rate was and whether it had changed. It has been stable—it is 7.5 per cent. It applies on an equal basis to all lottery agencies, and it is the highest rate in Australia. Contrary to some earlier reports about loss of sales, sales this year are up six per cent. There was a drop-off in sales during the global financial crisis and the aftermath of that, but sales of Lotterywest products seem to be increasing. The area in which Lotterywest agents often have financial difficulties is not so much the sale of, or the commission on, Lotterywest tickets; it is probably other cost pressures in their shops, particularly rentals. I think that is causing quite a bit of financial stress to some of them.

The member for Mandurah also raised the issue of the online sale of tickets. I must say, as the minister who has responsibility for Lotterywest, that I was hesitant and took some convincing about the need to have Lotterywest online. Like members of this place, I was concerned about excessive losses with too-easy access to gambling. However, I accept the reality that the TAB and other agencies—private bookkeeping agencies—are all online. I have some concerns. When I watch, for example, an Australian Football League game, I find that the amount of gambling promotion shown through the game is way over the top. Given that a lot of young people are watching the television at that time of day, this promotion of gambling is of concern. It is presented as a very slick, chic

thing to do, and I do not know that that is for the long-term benefit. I do not regard dealing with Lotterywest as gambling, although I am conscious that the member for Collie–Preston made the point that some people have very large transactions with Lotterywest, and I guess that enters into the realm of gambling rather than simply buying a ticket on a wing and a prayer.

A lot of comments were also made by the member for Mandurah about how unique Lotterywest is, as it is government owned, with the proceeds going to worthy causes. I think that is something that has bipartisan and long-term support. Related to that, certainly while this government is in power, Lotterywest would never be privatised, and I think again that that is a bipartisan position across this chamber.

The online sale of tickets is interesting. There are restrictions on the number of tickets that people can buy online. I was persuaded, because people can now purchase most products and services online. Why should we prevent Lotterywest from being in the general marketplace, as online purchasing increases? So there are safeguards regarding the number that can be purchased online. Of course, there are many situations, such as with elderly people, people with a disability or busy working people who do not get to a kiosk but who still want to buy their tickets. Interestingly, people have to register. A large number—I think 34 000 is a reasonably significant number—have registered to purchase online. Of those, about 28 000 are active. I think that a large number would be elderly people who find it convenient for whatever reason. Has that led to any problem gambling? There is no evidence of that, but that is something that is being watched carefully. Sales online amount to only 1.8 per cent of total Lotterywest ticket sales, so it is still a very small component, but I expect it will grow over time.

On the consultancy issue, the member for Mandurah asked what sort of services Lotterywest would be asked to provide for which it may charge a fee. As I said by way of interjection to some comments by the member for Maylands just a few moments ago, and to the member for Nollamara, advice to potential applicants would never be charged for. Charging is not intended for that. Advice to and work for local government would never be charged for, and work with state government agencies would never be charged for. So the question is: what could be charged for? Lotterywest does have expertise. It has a very high level of expertise in running the lottery itself, but it also has a high level of expertise in managing grants programs—that is, objectively handling them. I think it has provided advice, obviously at no charge, in the environmental area in helping to manage environmental grants through the state government. Occasionally companies that run foundations and have philanthropic grants programs have gone to Lotterywest and said, “Can you give us advice or maybe even help us in managing our grants program so that it is done in a professional way?” In that sense, when it goes beyond just a bit of friendly advice and guidance, if people go to Lotterywest and want formal assistance in developing a grants program for a private company, presumably for good causes, Lotterywest is entitled to say that they need to pay something towards the cost of doing that. Another example is that occasionally overseas lotteries—I am talking about overseas lotteries, not Australian lotteries—have gone to Lotterywest and said that they would like advice and assistance in setting up or managing their lottery in a better way. So the expertise and experience of Lotterywest are recognised, and I am sure that again friendly advice is given. But if it gets to the serious stage at which people want some real consultancy and professional assistance in setting up or changing a lottery, again, I think Lotterywest should charge for that; it is a reasonable thing to do.

The other example that I have been given is the advertising campaigns of Lotterywest, which have been very innovative. I think we all remember the campaign about putting the wish in a bottle. They were very beautiful advertisements. I do not know whether that is the example, but some overseas lotteries have wanted to use the advertisement, or that style or that campaign. Again, if Lotterywest is paid to develop an advertising campaign, and a lottery overseas likes it and wants to duplicate it, it is quite proper that Lotterywest should charge something for the use of it. They are some examples. At present the act precludes Lotterywest from charging for those. The amendment is very much limited to that type of example. It will not affect in any way the operation of Lotterywest within the state and assisting people with grants and the like. I agree that it should not be used to top up government department budgets, although \$100 million goes into health, and that is something that, as I said, will be more specifically targeted in the future, perhaps into medical equipment and the like.

On that matter—again it was referred to by a number of members—in the last year Lotterywest provided \$240 million for the beneficiaries of the lottery; \$101 million went to hospitals; \$12.6 million went to the arts; \$12.6 million went to sporting organisations; and \$114 million, which is a very large amount of money, was distributed in 1 366 direct grants to 1 080 different community organisations. It has an enormous reach across our community.

The member for Alfred Cove supported Lotterywest. I think she supported the tagging of health funds. She raised some concerns about online purchasing and whether that encouraged gambling. There is no evidence, as I said, that that has happened, but it is something that the government and Lotterywest will watch carefully.

The member for Collie–Preston spoke mainly about the syndicates. To my understanding, there is no cap at present on the syndicates. Lotterywest agents are able to produce syndicates. Obviously, the larger outlets with high turnover can form a syndicate. Basically, the Lotterywest agent buys the tickets, and then sells shares in those as a syndicate. That can be very lucrative. It is attractive to customers. For a smaller lottery agent, it is high risk. It may not be able to sell all the shares in a syndicate. Therefore, that agent is left with them, at its cost, and obviously there is a risk in doing that. The amendment with respect to syndicates means that Lotterywest will in a sense purchase its own tickets and create a syndicate or syndicates. Those tickets will then be offered to Lotterywest agents, particularly smaller ones, which will obviously be predominantly in country areas, and they will be able to sell shares in those syndicates and thereby share in the commission on sales from syndicates, as the larger agents already do. It is a pro–small business, pro–small retail outlet policy. I am assured that because Lotterywest sells across a wide range of outlets, it will limit the syndicates to ensure that all the shares in the syndicate are sold. However, if there is a risk in the form of unsold tickets, it will be borne by Lotterywest, not the retailer. Therefore, it will be good for small business. As I said by way of interjection, should Lotterywest win one of its own prizes through an unsold share in a syndicate—unlikely, but it may happen—the proceeds of that win will be put into the grants program. Therefore, there is no way that Lotterywest will be competing with its customers and its retailers.

The member for Kingsley gave some practical examples of how Lotterywest grants have been effective in the sporting area, with grants amounting to \$12.6 million a year. She also stressed how community groups have benefited from that.

The member for Cannington talked a bit about the odds and said that there were very long odds of winning a major first division prize. That may be true. But I think that when people buy Lotterywest tickets, they know that even if they lose, at least they are supporting worthy projects in our community. I think that is a big part of the public support for Lotterywest sales. He asked whether the sales of shares in syndicates will be done in a formal way through the ticketing machines at agencies. The answer to that is yes. Indeed, shares in the syndicates that are put together by Lotterywest and sold through those retailers who choose to participate will always be sold formally through the ticketing machines. At present, some retailers—I assume the larger ones that run their own syndicates—do not necessarily do that. They have the capacity to do that now. But as of the end of June, if they are running a syndicate, they will be required to do that formally. That will mean that a receipt for a share cannot be just a scribble on a bit of paper. The person will actually be given a ticket in that syndicate. I think that will formalise it. There was also some discussion about consultancy. I think I have answered that.

The member for South Perth made a strong case for South Perth Bridge Club, and he asked why that club does not qualify for Lotterywest funding, because, after all, bridge is a sport, as I guess chess has been described as a sport, too. I am advised that Lotterywest has supported bridge clubs in the past as worthy community groups. That is regardless of whether we regard bridge as a sport—it is a sport of the mind, I suppose. So the advice to the member for South Perth is that he gets together with the bridge club, and Lotterywest will assist them in putting together another application; and if the club can meet the criteria, then good luck to South Perth Bridge Club.

The member for Nollamara raised an issue about an application by United Voice—the union—to provide assistance essentially to African immigrants for job applications and the like. That is a worthy concept, I have to say. But I am advised that United Voice is not an eligible organisation. The advice that has been given to United Voice is that to get Lotterywest funding for what is a worthy concept and a good proposal, it would need to work with community-based employment agencies or organisations. I have to say that I do not think United Voice, the Labor Party, the Liberal Party, the National Party, or the Chamber of Commerce and Industry of Western Australia, are the sorts of organisations that should be accessing Lotterywest grants. The concept is good, and I commend United Voice for that, but it should be done through a community-based organisation. So that is the way to go on that.

Ms J.M. Freeman: Is there a policy not to provide that funding?

Mr C.J. BARNETT: Not to my knowledge. I am not going to pick a fight with United Voice; I am sure we will have a fight without picking one. But United Voice is very actively involved right now in a political campaign, and good luck to it; it can do that.

Ms J.M. Freeman: This was some years ago now.

Mr C.J. BARNETT: I accept that. But United Voice is in the political realm, as it is entitled to be, and I think it is ineligible, probably for those and other reasons. But the concept is good, and there may be another way of doing it. The member also raised the issue of some delays in the grants process. There was a time last year, because of a computer glitch, which seems to happen to every organisation, when the processing time for applications did stretch out to around six months. It has typically been three to four months, and I am advised that it is back to a three-month turnaround, until there is some exceptional circumstance.

The member also raised the issue of the need for a lotteries house at Mirrabooka. The response I have had is that Lotterywest regards that as a worthy project and certainly recognises that there is a need in that area for such a facility. The feedback was that a significant project such as that needs to be carefully planned and scoped. I think Lotterywest would be pleased to work with the community group that is promoting that to make sure that the project is properly developed, and in giving a token level of support for that as a good project to pursue.

Ms J.M. Freeman: The feasibility study grant application is in at the moment.

Mr C.J. BARNETT: I suggest that the member, if she has not done so already, gets together with some of the proponents and goes to Lotterywest and discusses it with its grants people, because it is recognised as a worthy project. I have mentioned the sales figures. They did dip, but they are now back up.

The member for Maylands made some nice comments about her experience with Lotterywest when she was the chief executive officer of the Western Australian Council of Social Service. Lotterywest does work well with organisations like WACOSS and a range of community groups. I take the member's point that peak bodies or larger bodies can very much support smaller groups with grant applications and the like. I also take on board the member's comment that the fact that the grants application process will now be online will make it easier for groups to access grants. Lotterywest is certainly continually trying to make it easier for groups to access grants. A number of comments were made about how less sophisticated organisations might find it difficult to get over the hurdle and apply for a grant. That seems a fair comment to me. That is an issue that Lotterywest is conscious of and that is why it is spending a lot of its time working with applicants to help build a strong case that will measure up.

Mr D.A. Templeman: I did ask a question about the commission rate.

Mr C.J. BARNETT: Yes, and I answered that.

Mr D.A. Templeman: I do apologise. I will read that in *Hansard*.

Mr C.J. BARNETT: It was 7.5 per cent. That has been a longstanding rate and it is applied consistently across all sales and all agencies.

The member for Maylands also raised the issue—it is news to me—of the New Zealand caravan. What is the program called? Does it have a name?

Ms L.L. Baker: I do not know what the name is.

Mr C.J. BARNETT: The name does not matter. But I understand that the people in the caravan go around and do —

Ms L.L. Baker: It is a de-sexing van.

Mr C.J. BARNETT: They go around and do the de-sexing of animals. That seems to me to be a good idea. Who knows? We might pinch it for the election as a policy idea! It seems like a pretty good one to me!

Ms L.L. Baker: Jolly good! I think I would support that, Premier!

Mr C.J. BARNETT: That is an innovative program, because it deals with unwanted pets and the like. Cat legislation has gone through this house, and there will probably be some dog legislation. Animal welfare is an issue that probably has general bipartisan support.

I thank members for their comments. It was a wide-ranging debate that covered a host of issues. Lotterywest probably also received good feedback from members of Parliament through that debate. I hope the specific questions have been answered. I do appreciate the support that Lotterywest has across the Parliament, and I think Lotterywest will take some pride in the comments made by members on both sides of the house.

To get back to this bill, the Lotteries Commission Act 1990 has worked pretty well. It has been a fairly robust piece of legislation. But Lotterywest, as is the case with any retail and fundraising organisation, has to move with the times. I think that to allow all retailers, big or small, city or country, to participate in syndicates on an equal basis, and therefore earn the commission that they would otherwise miss out on, is a good way forward. It will certainly assist those small businesses. If there is any risk, it will be borne by Lotterywest, and if any prizes are won by Lotterywest, they will go into the pool for grant recipients.

I do not anticipate that the change on consultancy will be widely used. Lotterywest will not go out and start marketing its services in lottery management or in grants management. There are strict provisos on that. First, if Lotterywest is to charge for some service that it provides, it must have the approval of the minister, which happens to be me at present, and also the minister must get the approval of the Treasurer, so there are two checks. There is also a very complex amendment on the notice paper that seeks to provide that we do not necessarily want the minister and the Treasurer to approve tiny fees if they occur. It will allow the minister, with

the concurrence of the Treasurer, to say that if there is any service worth below X dollars—maybe \$1 000—we do not have to go through the process of tabling information in Parliament. But that will have conditions attached. I imagine that there might be ministerial approval that Lotterywest may charge fees if an overseas lottery seeks a consultancy and that if that fee is above \$10 000, there must be ministerial and Treasurer approval. In no way will Lotterywest be trying to market that or compete with private consultancies. From time to time there are quite genuine requests for assistance based on its experience and expertise. I take it from the comments made by members opposite that they support the legislation.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clauses 1 to 3 put and passed.

Clause 4: Section 6 amended —

Mr D.A. TEMPLEMAN: My question relates to proposed section 6(3A). I am interested in knowing how this syndication will work. I am aware that newsagents currently sell shares in syndicates. I have noticed that some have 10 or 20 shares at a certain cost. After this legislation is passed and Lotterywest has the capacity to purchase entries in games of lotto, will specific instructions be given to the agents that set out how the new system will work? Will it be different from the current system? For example, there might be five syndicates of 10 shares at my local newsagent. My understanding of this proposal is that if any shares are unsold, they will be purchased by Lotterywest and therefore Lotterywest will have a share in those. I would like to know how that will be coordinated. Given that there are so many agents, how will we ensure that how the process works is clear?

Another question I have relates to how we will let the general public know that some of the prizes that may have been divvied out were actually won by Lotterywest. Currently, the advertisement in the newspaper for the winning numbers simply states the dividend for division 1 and that there were two winners from WA. The second half of the question is probably related to a following clause. How will this work at the agency level?

Mr C.J. BARNETT: I think I have got this correct. As I said during the second reading debate, a Lotterywest agent can establish a syndicate. Let us say that the agent creates 10 shares. That agent can try to sell those shares to customers. Sometimes several agents may come together to minimise the risk of unsold shares. It is a matter of scale. If an agent is big enough to have 10 or 20 shares, it knows that it can sell them because it has regular customers. But if the agent is left with one or more unsold shares, that is at the risk of the agent and the agent will have to pay for them. The big agents take that risk, or groups of agents form to ensure that there is minimal risk. A small agent, particularly a country one, would have a high financial risk in doing that because it would have a high chance of being left with unsold shares in a syndicate. That could prove to be very expensive and a high risk. Typically, that would mean that the agent would miss out on the commission on selling effectively the Lotterywest product. It would discriminate against smaller retailers, which are typically those in country areas.

Under this change, Lotterywest agents will still be able to do their own syndicate as they do now, or they can come together to do a syndicate if they wish to. The difference will be for the smaller agents so that they can share in the syndicate business and the syndicate commissions. Lotterywest will create, let us say, a syndicate with 50 shares in it. The individual kiosk agent will be able to sell a customer a share of the Lotterywest syndicate. The agent will not have to buy the shares and hope that they are sold. The customer will get the shares through the kiosk and the kiosk will get the commission, but the share will flow only as it is purchased. There is no risk; there is no downside for the individual kiosk agent. The agent will simply have access to these shares centrally managed by Lotterywest. Lotterywest will obviously manage it so that hopefully it is never left with unsold shares; and, if it is, that is at its risk. Any proceeds would go into the funding pool.

Mr D.A. TEMPLEMAN: Let us assume that Dalwallinu newsagency has on its books a certain number of syndicates. It is a quarter past five on a Saturday afternoon before the Saturday lotto draw and it has six shares in a system 10 but only three shares have been sold.

Mr C.J. Barnett: That would be an issue for that agent, if it is the agent's own syndicate. The agent will not face that risk if it is a Lotterywest syndicate. The agent draws on the share only as the share is sold. There is one point that I did not respond to before. I have just been advised that all the agents that wish to take part in this will be provided training on exactly how to do it. Lotterywest will provide a training program for them.

Mr D.A. TEMPLEMAN: On the issue of advertising the share, Lotterywest will now be, if you like, a potential active purchaser within the lottery system.

Mr C.J. Barnett: No.

Mr D.A. TEMPLEMAN: If it purchases shares, it will be an active player. That is the reality. Lotterywest will be an active player in lotto. That is essentially what is being established.

Mr C.J. Barnett: No.

Mr D.A. TEMPLEMAN: It has to be, because it has to be a potential purchaser to be a winner. As the Premier has said, if there are any winnings, those will go back to the community. I am interested in knowing how the average punter will be told that, of the 1.4 million tickets sold for the Saturday lotto draw, it is likely that a proportion are Lotterywest-owned tickets, not individual purchases.

Mr C.J. BARNETT: The fallacy in the member's case is that there is no finite number of Lotterywest tickets. Lotterywest will sell as many tickets as people want to buy. There is generally no limited number of tickets for a Lotterywest draw.

Debate interrupted, pursuant to standing orders.

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