

LOTTERIES COMMISSION AMENDMENT (COVID-19 RESPONSE) BILL 2020

Introduction and First Reading

Bill introduced, on motion by **Mr M. McGowan (Premier)**, and read a first time.

Explanatory memorandum presented by the Premier.

Second Reading

MR M. McGOWAN (Rockingham — Premier) [12.35 pm]: I move —

That the bill be now read a second time.

In this house almost 88 years ago, the then Minister for Railways, Hon John Scaddan, stood here and introduced the Lotteries (Control) Bill. It was a controversial bill, delivered as the devastating grip of the Great Depression took hold. The unemployment rate in Western Australia had exceeded 30 per cent. People who had never before been unemployed found themselves out of work. Those still with jobs saw their wages significantly cut. The unemployed demonstrated on St Georges Terrace, calling for increased support. Flyers were distributed telling them, “Don’t hide your poverty—parade it on The Esplanade” and on 6 March 1931, thousands of men did, marching on the Treasury building in what became a violent clash with police. When John Scaddan introduced the Lotteries (Control) Bill more than a year later, he summed up the plight of Western Australians, and I quote —

There are people who are struggling and finding it difficult to get the wherewithal to live. Many of these ... are not responsible for the condition in which they find themselves.

The bill was divisive. It faced strong community opposition. Although John Scaddan was morally opposed to legalising gambling, he had, in his words, the “very unpleasant task” of introducing a bill that did just that. The harsh economic conditions facing Western Australia had left charitable institutions struggling to survive. Donations dried up and the reliance by charities on voluntary support was failing. As John Scaddan later responded to critics in *The West Australian*, “It is my job as a representative of the people to try to set up something to take the place of the voluntary system which has fallen down.” The Lotteries (Control) Bill did just that. What was then known as the Lotteries Commission stepped into the breach. It provided a reliable method of supporting charitable institutions when the Great Depression had tested their survival.

Today, 88 years on, we confront the greatest economic crisis of our generation and once again we look to Lotterywest to help our community get through. The Lotteries Commission Amendment (COVID-19 Response) Bill will support the delivery of the COVID-19 relief fund that was announced on 30 March 2020. The fund will ensure that all discretionary profit from every jackpot, every draw and every ticket will be used to support those not-for-profit community organisations severely affected by the COVID-19 pandemic. This bill will ensure that Lotterywest has a flexible framework to ensure that money from the COVID-19 relief fund can be distributed in a highly responsive and effective manner.

Clause 8 will allow Lotterywest to distribute funds to other government agencies and utilise their existing processes to undertake worthy grant programs during the emergency period. The temporary expansion of powers under clause 8 is required as some of the currently proposed COVID-19 programs fall outside Lotterywest’s existing powers.

It will mean that hardship packages can be more readily developed to provide urgent financial relief for not-for-profit sports, arts and community organisations that have been severely impacted as a result of cancelled events—be it a loss of revenue or operational costs that have already been committed. It will mean that targeted support can be more readily provided to ensure the future viability of our community groups, our sporting clubs and our arts, cultural and creative organisations. Funds will be used to support the financial resilience of these organisations, be it through helping them to maintain staff or adjust their operations to the changed economic conditions.

Crisis and emergency relief funding is being made available for not-for-profit community groups to deliver support to the most vulnerable in our community. This will ensure that they can meet the costs related to the expected increased demand for crisis relief services, and emergency food, shelter and clothing. It will support these organisations in securing new equipment and resources or putting in place new processes to adapt quickly to how they provide frontline services.

Clause 5 clarifies that Lotterywest can use its specialist expertise in administering grants to assist another government department, agency or local government with their grant programs should it be required. Lotterywest already has the power to enter into a contract or arrangement, with the concurrence of the Treasurer, to provide a consultancy or advisory service. As such, it is intended that clause 5 will be amended to remove any uncertainty about Lotterywest’s ability to administer grants on behalf of other government departments, agencies or local governments. However, combined, both clause 8 and clause 5 will ensure that during the emergency period, support

can be delivered in the most targeted, efficient and responsive way to those not-for-profit community groups that need it most.

The social distancing measures that the government has taken to respond to COVID-19 have presented challenges for both Lotterywest retailers and players. The bill introduces two temporary measures that will ensure that Lotterywest players can have the confidence to play during the COVID-19 emergency period, knowing that they will still have a fair opportunity to claim prizes regardless of any travel restrictions, community isolation requirements or temporary closure of retail outlets.

The time frame in which to claim a prize in a lottery or instant lottery will be extended. During the emergency period, players will have 24 months from the date a lottery result is declared to claim any prize that they are owed. With regard to instant lotteries, players will have 24 months from the closure day of the ticket to claim a prize if it falls within the emergency period. Players currently holding a winning lottery or instant lottery ticket that was either declared or has a closing day between 16 March 2019 and 15 March 2020 will now have until 16 March 2021 to claim their prize. Players who are unable to attend a Lotterywest retailer or office due to COVID-19 or measures taken in response to COVID-19 will also be provided an alternative opportunity to claim a prize during the emergency period. This bill will allow players who are unable to provide the physical evidence of a winning ticket to claim a prize based on a digital copy. However, Lotterywest must be satisfied that it is not reasonably practicable due to COVID-19 for the player to produce the physical evidence.

The Lotteries Commission Amendment (COVID-19 Response) Bill will ensure that Lotterywest can truly deliver on the vision of its founders, as Western Australia once again confronts a period of great uncertainty; that is, a lottery that belongs to the community and benefits the community at a time of their greatest need.

I commend the bill to the house.

MRS L.M. HARVEY (Scarborough — Leader of the Opposition) [12.44 pm]: I rise on behalf of the opposition to lend our support to the Lotteries Commission Amendment (COVID-19 Response) Bill 2020. At the outset, I would like to thank the chief executive officer of Lotterywest, Susan Hunt; Jeremy Hubble; and the other lovely lady whose name I have forgotten, who provided a briefing for us yesterday. That briefing was very comprehensive and certainly went a long way towards enabling me to provide my support for this legislation after its very short turnaround.

So far, I have been very pleased with Lotterywest's response to the COVID-19 crisis. I think that the \$17.5 million package to be put forward for 500 retailers will be very well received. For members who may not be aware, it will mean that 500 Lotterywest retailers across the state will receive three hits of \$10 000 each, spaced over time, to assist them with cash flow and other issues during the COVID-19 crisis. Lotterywest, like every other retail outlet in the state—except for people selling toilet paper and hand sanitiser—are suffering as a result of the pandemic buying in some areas and also the panicked lack of investment by people who are uncertain about their futures and who are not willing to have any discretionary spend at this time. I was very pleased to learn that Lotterywest retailers will get that support from Lotterywest and the government.

I am also very reassured to see that the governance arrangements of this proposed package in the legislation have been very well thought through. I am heartened that there will be a competitive application process for the grants that will be made available should this legislation pass and that, as usual with Lotterywest, the Lotterywest Board will assess all applications before they are approved. There will also be an external probity audit by Colin Murphy, a former Western Australian Auditor General. He will ensure that all the money is spent as this Parliament intends it to be spent. I think that it is a very good lead example for an agency when putting together COVID responses to ensure that there is probity around the way grants are managed and funds are administered. During this time of limited parliamentary sittings and perhaps extended periods of no parliamentary oversight of the government's activities, it is very important to have external government structures around the spend of those who occupy the Treasury bench. I was very heartened to see that Lotterywest had thought this through, and part of this proposal involves an independent audit of the former Auditor General Colin Murphy, in whom I believe everyone in this place would have confidence to do his job very well.

The proposed package, as I understand it, consists of \$159 million to assist the not-for-profit sector and others to provide food, clothing, shelter and critical care. I was advised that \$59 million of this funding will be released with some immediacy—\$20 million in relief funding for places like Foodbank and others that are providing essential services, clothing and support for people who find themselves unemployed for the first time et cetera. There will be \$39 million for small arts and other not-for-profits to cover event cancellations and resilience grants for smaller arts and sporting organisations. I think that that is a really good idea. We do not want small arts organisations disappearing because it is difficult for them to recommence and to start up so that they can provide and add to the cultural diversity of our community. An amount of \$100 million will be quarantined from future profits to go into further COVID-19 grants after the \$59 million immediate spend. It is my understanding that that \$100 million still needs to come; it is not in the bank at the moment. It needs to be drawn off the profits that will be made from the sale of lottery tickets through retailers and online, but that money will be quarantined for this purpose.

It is concerning that out of this, potentially less will be available for some other not-for-profits, but I expect, and I understand, that Lotterywest will be dealing with all those not-for-profit groups that ordinarily would expect to receive grant funding from Lotterywest for their operations. Organisations such as Scouts WA, Surf Lifesaving Western Australia and others rely on recurrent funding from Lotterywest to continue their very important activities in our community, albeit some of those activities will need to be wound back, and as a result they may have fewer expenses. I expect there will be an understanding and some forgiveness from some of those groups if they need to receive less in grant funding this year to enable the spend of Lotterywest to reach further and deeper into the community to organisations that find themselves in need at this time.

I understand that the capital grants program will be temporarily suspended. Grants that have already been actioned will still be completed, but this applies to grants that have not been actioned and future application rounds of capital works programs. These are things such as kitchen refits, which I was very happy to see at one of my local community organisations at West Stirling Neighbourhood House. It received Lotterywest funding to fit out a new kitchen facility, which is absolutely fantastic. It is a local hub. It is doing a lot of work at the moment with families who find themselves facing hardship. It runs a community playgroup and a really important support network not only for Australian residents, but also the large number of migrants and people on temporary or work visas who reside in my area. In a lot of those families there might only be one worker and a mum with perhaps a toddler or a baby with no family support whatsoever. Organisations such as West Stirling Neighbourhood House provide support for those families. It is really important for people from other countries to be able to connect and speak in their own languages about problems at home. It is a really great, beautiful family hub that provides so much care and support. We are lucky that it had its grant for the kitchen refits and that it has occurred. I was really pleased to see the organisation be successful in that, but I think there will be an understanding in the community that some of these capital works programs will need to be delayed. They can potentially be funded through other sources. Given that the government was looking at quite a significant surplus at the end of last year, there is maybe a possibility for some of those organisations to have their capital works programs funded through a different source, should Lotterywest fall short as a result of the COVID-19 response.

This legislation does a few things. It creates an emergency period, which is from 16 March to 15 September 2020. I understand that the minister can extend that period, but needs to give written notice to Lotterywest. That notice would need to be published in the *Government Gazette* and tabled in Parliament. That is appropriate, and it is a procedure that exists under section 8 of the current Lotterywest legislation. It will allow Lotterywest to give grants to some smaller not-for-profits and sporting organisations that do not currently have a benevolent and charitable purpose as part of their constitution—for example, some regionally based childcare centres or small sporting organisations. They are genuinely not for profit and they are genuinely there to serve the community. Because Lotterywest was constrained in only being able to contribute to organisations that have a benevolent and charitable purpose, a wide range of community organisations currently in need are excluded. In this time of need in the community we support this amendment to the legislation to allow Lotterywest to reach out to a broader remit of organisations than it was previously able to.

The bill clarifies an anomaly in the act, which I am sure that Lotterywest is really pleased to see in the legislation. It makes it very clear that Lotterywest is legally able to administer grants as a head of power on behalf of some not-for-profits and other government agencies such as Healthway. Lotterywest does a fantastic job of grant administration, and I have certainly been part of the application and acquittal process in supporting a range of community groups in my electorate. It runs a very good program and grants administrative practice. Enabling Lotterywest to step in and assist other organisations as a formal part of its responsibilities under this legislation is very good. It has no doubt been an oversight over time, given that in practice Lotterywest has been administering some grants in that way.

Importantly, the bill allows a longer time for people to claim their prizes, taking into consideration that there might be substantial lockdowns. There may be vulnerable people in the community, people such as some of the senior members in my family, who are self-isolating, as are many others, and not going to retail outlets and not leaving their houses during this time to ensure that they cannot put themselves at risk of contracting a potentially fatal disease. Individuals may have received a lottery ticket from a relative, but they may not be able to present in the allowed time frame because of lockdowns or they may not be able to present in person in any event. This legislation does two things. It extends the time for claiming prizes—their lottery winnings—to 24 months. It also allows people to claim using other forms of identification such as photographic proof or a copy or facsimile of a winning entry, when provided with statements, proof of identification and all of those other mechanisms to verify a person's authority to claim. I think that they are very good initiatives. When we go into consideration in detail, I will need to check whether there is a sunset clause. I realise that there will be a sunset in the extension of the period to claim winnings, but will the ability to claim via different means using photographic proof et cetera remain a permanent part of the legislation? It would probably be appropriate to allow people who are movement-impaired, who are very unwell or who are isolated in the community more opportunities to claim their prize winnings should that apply to them.

I will not take up too much time. I know we want to get through quite a few pieces of legislation. The opposition unreservedly supported this legislation when it went through our party room. We are all in favour of seeing Lotterywest do its very good work in the community to a broader remit of people in this time of need. We will go into consideration in detail, but will do so just to get an idea from the Premier of how he expects some of these directions to work operationally should there be an extension of the emergency period and things like that. With those concluding remarks, and putting on the record once again my unreserved support for the work of Lotterywest and my thanks for the way it operates in our community, I look forward to this legislation becoming law and for Lotterywest to be able to deal with a far broader remit of community organisations that desperately need support at this time.

MS M.J. DAVIES (Central Wheatbelt — Leader of the Nationals WA) [12.58 pm]: I rise briefly to put on the record the perspective of the Nationals WA on this Lotteries Commission Amendment (COVID-19 Response) Bill 2020 and to offer our support. As the Leader of the Opposition has said, this bill will allow Lotterywest and its significant expertise to assist a number of other organisations, government departments and smaller associations, I guess, that are not within its current remit in order to ensure that they can stay viable and support the communities they are a part of during this crisis. I think every member of Parliament is acutely aware of the good work that Lotterywest does. In the 12 years I have been a member of Parliament I have participated in many presentations from Lotterywest to those community groups. They are always very well welcomed. There is usually a representative of the local news agency or lotto outlet there, and I never fail to mention that we are unique in Western Australia in that we are the only state with a state-run lottery that invests its takings back into our community. It is done in a way that when I recommend to the community groups that come to see me that they sit down with Lotterywest, I know that those groups will be dealt with in a reasonable manner, it will be up-front with them about their likelihood of success and it will work through projects if it thinks they need to be tweaked or amended to meet Lotterywest's criteria. Its board operates extraordinarily well. From the briefing that we received, we assume, and the Premier might like to clarify, that the board will retain its normal processes for approving projects and the Premier or the minister with oversight will retain only a veto role; they will not be able to direct the board to do anything other than what it would do under normal operating circumstances. The integrity of the board is important.

We appreciate that this has come about because Lotterywest does not want to operate outside its current remit, as it is not able to assist some associations, particularly sporting associations, that do not fall within the definition of a charitable or benevolent organisation. It does not want any grey area as it moves forward to roll out the COVID-19 relief fund and anything else that it is asked to provide assistance with.

We have a number of questions arising from the briefing, and I would like to thank the representatives from Lotterywest who provided us with the briefing yesterday. We understand that the bill predominantly has two broad themes: firstly, to get the grants out through the COVID-19 relief fund that has been announced and, secondly, to enable Lotterywest to essentially keep going and distribute winnings in an environment in which people are not trotting down to the newsagency or into their lotto distributor to collect any winnings that they may be lucky enough to have picked up. I certainly have never been lucky enough in my time, but I will persist in buying lotto tickets because I see the wonderful outcomes of spending that money in our community at a local level.

Mr M. McGowan: I am always nervous if I win.

Ms M.J. DAVIES: About what the Premier will do with it! It is like a member of Parliament winning the local raffle—when their name is pulled out of the hat, they know the prize has to go back!

Mr M. McGowan: What happens if I win \$50 million? What do I do?

Ms M.J. DAVIES: State debt! The Premier is doing such a wonderful job that perhaps he would like to continue with it.

Mr M. McGowan: That is one option.

Ms L. Mettam interjected.

Mr M. McGowan: I bought a ticket in the \$50 million draw last year and I was very concerned that I was going to win.

Ms M.J. DAVIES: I have never pondered that because I have never won. It is a regular occurrence for members of Parliament when they contribute to various raffles and things like that in our electorates that when their name is pulled out of the hat, inevitably, even if it is a wonderful prize, it has to go right back.

Mr M. McGowan: If it was \$100 million, it would be a slightly bigger moral choice than a hamper at a fete!

Ms M.J. DAVIES: Slightly, yes! But those morals still apply, do they not, Premier? I will leave the Premier to ponder that and when he stands to reply, he might have a response that the state would be very pleased with. That would be a wonderful contribution to the state's coffers, but maybe beyond the call of duty.

We do not have many questions for the consideration in detail stage, but we would like some clarity about the approvals process for the Lotterywest board and the involvement of the government or the minister who has oversight. Is the \$159 million that has been committed a guaranteed figure or will it be reliant on the income of Lotterywest? Will there be some certainty for those who are going through this process to ensure that if they are eligible, funding will be delivered according to the level that has been set, which is \$159 million? We have some questions about the current beneficiaries. I have with me a letter from somebody who, unfortunately, was already in the system and their application was not approved and now the grant will not proceed. Will they qualify or be prioritised in future rounds? Has Lotterywest turned its mind to that, given that some of these projects were already some way down the track and may not meet the requirements in the situation that we now find ourselves in with COVID-19? It would be nice to have some indication that they would be prioritised in future rounds, if that is possible. We also have some questions about organisations that have already received funds, particularly for events. The cancellation of events is one thing that was being focused on. Everybody would understand that funding does not go to the event on the day it occurs; it is usually expended months in advance. If those funds have been expended but the event does not happen, will the organisation be able to reapply for funding? Will it be able to keep that funding? Is there any expectation that it will need to be returned if the event is not held? We would like some clarity about how that will be approached. Obviously, a significant number of events have been cancelled, particularly in regional Western Australia, and we are keen to understand the specifics on that front.

I have a question arising from my time as Minister for Sport and Recreation about grants to sporting clubs. I absolutely understand the importance of keeping those clubs viable; they need to be able to bounce back. Clearly, they have not been collecting fees and games are not being played. They need to make sure that they can operate when we come out of this, because that will be really important for our community to get back to some normality. What has been considered for funding those sporting clubs? Is there a discussion about whether the funding will go to the state sporting associations or to the clubs directly? Lotterywest has a history of going to that grassroots level, and I am very supportive of that. It is not that I am not supportive of our state sporting associations, but I think that would be just another level of challenge if that is added to the process. We would like some feedback on how that might play out, and also the reporting mechanism. This is outside Lotterywest's normal appropriations. There is normally an annual report in which all of this is reported. We have asked during previous debates on COVID-19 bills whether there will be additional transparency measures, for want of a better term, around more regular reporting so that we can see where those funds are going and we can celebrate and acknowledge where those funds are shared in the community and that all members are included in that process.

They are some of the initial questions that we have. The proposal to utilise the expertise of Lotterywest, which is a very trusted organisation, is one that the National Party does not hesitate to support. As I said, there are some questions that we will ask during the consideration in detail stage, but without doubt, with a little more information, we see no issue with this bill going through today posthaste.

MR Z.R.F. KIRKUP (Dawesville) [1.07 pm]: I, too, rise to talk on the Lotteries Commission Amendment (COVID-19 Response) Bill 2020. My contribution will be very brief. I look forward to going into the consideration in detail stage to deal with a small number of issues that the Leaders of the Liberal and National Parties have raised. I find it interesting that we were informed in the second reading speech about the establishment of the Lotteries Commission under the Scaddan government. I find that interesting because, of course, the Scaddan government was considered to be one of the more socialist governments that Western Australia has seen. I think it was Premier Scaddan who oversaw state-owned dairy farms, sawmills, abattoirs, hotels and brickworks in Western Australia, and this is one of his legacies that has endured. In particular, the Lotteries Commission is met with universal praise, regardless of the political party that holds office. Having served with the former Premier of Western Australia, I know it was always a source of pride that Western Australia had Lotterywest, which plays a unique role in our state.

This bill is for a good cause. It is a bill that every member of this place is very happy to support. We are seeking to enshrine the flexibility to allow the important distribution of funds at a very difficult time for our community. I represent a district with a lot of volunteer organisations, particularly those that have a lot of older patrons who are very reliant on their clubs and organisations as part of their routine and daily lives. Their lives have been severely impacted and curtailed by COVID-19. I have spoken with most of the presidents from the bowls clubs et cetera in my district. In the past, they have been recipients of Lotterywest grants that have enabled them to provide exceptional value and opportunities for people in our community. This bill is a good opportunity to provide funding to those organisations to keep them going during this difficult time. I have to say that the flexibility with which this bill has been put together is a credit to Lotterywest. A lot of good work has been put into it that I hope will enable the commission to continue to do its good work. I think the unique circumstances that we face with COVID-19 are reflected in the bill. I was genuinely quite enthralled to read that Lotterywest has thought about things right down to the ticket. It has gone to not only the level of the provision of grants and other things, but also the whole system. I am very impressed by the level of detail that has gone into bringing this bill before the chamber. It is a credit to Lotterywest and the work it continues to do to serve Western Australia.

I would like to echo in particular one of the points made by the member for Central Wheatbelt about the level of transparency that I hope we will get around the grants that will be provided at this time. Of course, an annual report will be produced, and that would usually identify it, but this is an extraordinary time. I am not sure whether there will be delays in producing annual reports, given the nature of what we are dealing with. We have already seen the budget pushed back so perhaps annual reports will be delayed. It would be good to get, as far as we can, a level of accountability and a more active reporting regime. I am concerned that we could see the tabling of annual reports pushed back, which is completely understandable, but given the number of grants that will be going out, I am keen to see what that might look like. With that, I commend the bill to the house.

MR M. McGOWAN (Rockingham — Premier) [1.12 pm] — in reply: I thank members for their support for the Lotteries Commission Amendment (COVID-19 Response) Bill 2020. Obviously, the bill has been put together very rapidly by Lotterywest. I thank the Lotterywest staff who are here today, particularly the CEO, Susan Hunt, and also Jeremy Hubble, and the other staff members and members of the board, particularly Peter Klinken, for their work in supporting this. I am very pleased that they have agreed to this. Three or four weeks ago I met with them at the Lotterywest headquarters to discuss how Lotterywest could assist with the COVID-19 response. Obviously, it is not business as usual, and so changing the way a range of agencies, including Lotterywest, operate is appropriate. The board was very cooperative, which I appreciate. The measures it put in place to support the 500 or 600 local Lotterywest retailers across the state is a great example of a franchisor assisting its franchisees. Although not widely publicised, that example is something that other businesses could adopt. Essentially, Lotterywest will give payments of \$10 000 each over three months to assist retailers during this period. Clearly, a lot of our shopping centres are not as busy as they were—that is an understatement; they are very quiet—and no doubt Lotterywest retailers will be suffering as a consequence. However, their businesses are probably doing better than most, although they will be suffering from a lack of foot traffic in particular.

A strange phenomenon during times of economic crisis is that a small number of businesses do better while a large number of businesses do worse. Supermarkets and bottle shops are clearly doing better. Historically—I was discussing this with people from Lotterywest the other day—Lotterywest retailers, or gambling outlets, do better during times of economic crisis as people look for some enjoyment or some hope. This crisis is a little different because foot traffic has gone down. People are not walking through shopping centres and buying a Lotterywest ticket on the basis that it provides them with a little hope. Ordinarily, there would be an uptick in purchases of Lotterywest tickets. Lotterywest's revenue may well suffer as a consequence, just as government revenue, more broadly, is suffering. Lotterywest retailers have been the beneficiaries of this announcement. The board offered support for them with payments each month. That is a terrific example for other major franchisors to support their franchisees, and I hope that those types of practices are adopted by other businesses.

The bill is not particularly controversial, in my view, and I appreciate that members of the opposition did not describe it as such. The advice I have is that it will improve transparency. One question asked by the Leader of the Nationals WA was whether the bill will change the role of the minister in terms of the grants processes. No, it will not. The board will still make recommendations. I have not disagreed with a single one of those recommendations in my three years in this role. That process will continue. There will still be transparency around the arrangements to potentially transfer money to another agency so that a sporting club can be funded. There will not be any non-disclosure of those sorts of things, and any grants that go to any other agencies that are then forwarded to sporting clubs would be allowed to be used only for that purpose. A minister for another agency will not be able to change the purpose of the grant.

I think the member for Dawesville indicated that it was “Jack” Scaddan, a Labor Premier, who set up Lotterywest. He was a former Labor Premier but then member of the Nationalist government who brought the legislation forward in 1932 or 1934. He was Labor Premier from 1911 to 1917 but left the party over conscription and became a minister in the Mitchell government sometime around 1930 until perhaps 1936. I do not have the exact date in my head, but it was a government of that era and “Jack” Scaddan became a member of the government. He was opposed to gambling and disagreed with some of the relatively minor vices in our community but he understood that in times of trial and trouble, the government needed to provide support to charities, and this was a way of doing it. He was pragmatic, clearly, and he came up with a bill for something that, although he personally disagreed with, he could see the greater benefit in having.

In a way, that is what we are doing here. It would be wonderful to continue giving all the grants to the Men's Sheds and the community organisations for wonderful buildings and the like, but we are not in a position to continue doing that, and Lotterywest has agreed to deal with the more pressing priorities at this time, which this bill helps expedite. That could still be done without this bill but it makes it easier for agencies that might not be experts at grants programs to administer those grants programs and it will allow us to distribute money to government agencies to on-forward, which would ordinarily fall foul of the principles of the existing Lotterywest legislation. It is an administrative measure that allows us to do something that has not been done before. Having said that, Lotterywest would still be able to function and support charities; this legislation just makes it easier for the

organisation to do it. The motives behind this legislation are pure. It is a good piece of legislation and I welcome its support.

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 3B inserted —

Mrs L.M. HARVEY: With respect to proposed section 3B and emergency circumstances, I want to get an indication from the Premier on how this will be defined. For organisations seeking relief through the grants process, will they need to demonstrate a COVID-19-related financial issue to apply for these grants?

Mr M. McGOWAN: Yes.

Mrs L.M. HARVEY: The emergency period means the period beginning on 16 March 2020 and ending on 15 September 2020, or another date that is fixed. I want to be clear; my understanding is that the Premier, as the minister, can extend that period multiple times, and I understand that there is a process around that extension. Does the Premier, at this stage, think that he will need more than one extension to that emergency period?

Mr M. McGOWAN: To the best of my recollection, the minister who signs off on the emergency period is the Minister for Emergency Services, so Fran Logan has done it. I have a correction. Under this legislation, the emergency period can be extended by declaration. It must be gazetted, published, laid before the Parliament and reported on in Lotterywest's annual report. This will go for six months. If during that period, probably towards the end, we think we need to extend this emergency relief and these arrangements—I personally suspect that yes, that will happen—we would need to publish an extension to allow Lotterywest to continue to do this sort of work, which these clauses allow for under this bill.

Mrs L.M. HARVEY: The Premier mentioned that the Minister for Emergency Services is the minister who declares the emergency circumstances. Therefore, is the expectation that the Minister for Emergency Services would declare emergency circumstances or an emergency period to be in extended operation and that Lotterywest would then make its declaration on that emergency relief period?

Mr M. McGOWAN: The expectation is that that is correct.

Mrs L.M. HARVEY: My understanding is that that extension of the emergency period needs to be published in the *Government Gazette* and tabled in the Parliament. The time frame for that in the existing legislation is 14 days, but this legislation says “as soon as is practicable”. However, I understand that under section 8 of the Lotteries Commission Act there is a 14-day period for any direction from the minister given to the commission, so I want to find out whether it is the 14-day period that exists under section 8 or whether it is “as soon as is practicable”, in case Parliament is not sitting and there is an extended time before it is tabled.

Mr M. McGOWAN: I will have to await some advice on the details of that and get some written advice handed to me to answer that. If the member has any other questions, she might want to ask them now.

Mrs L.M. HARVEY: Page 3 of the bill states —

(5) A failure to comply with subsection (4) does not affect the validity of the declaration.

That seems at odds with the requirement to make the declaration and table it in the appropriate fashion; regardless of whether the appropriate process has been followed, it does not affect the validity of the declaration. I want to understand whether there is a precedent for this caveat.

Mr M. McGOWAN: I think this is a rescue clause, if you like. The idea is that grants are given and they are not subsequently repayable or voided because there was some administrative failure in providing a written declaration. My expectation is that Lotterywest will provide advice on whether a written declaration is necessary for an extension, but if there were a failure and a grant were issued, the organisation would not have to pay back the grant. There is nothing sinister in it. I expect that everything would operate effectively and properly; this is a catch-all provision, which I do not think is uncommon, so that if decisions are made and an instrument is not declared in time—some state of emergency might mean Parliament could not sit—Lotterywest could still make grants.

Clause put and passed.

Clause 5: Section 6 amended —

Mrs L.M. HARVEY: I would like some more background from the Premier around the grant administration services. I do not have a problem with Lotterywest providing grant administration services; I think that it is a lead agency when it comes to the grants application, approval and acquittal process. But can I get some information from the Premier on who the recipients of these grant administration services are at the moment and the names of some organisations that the Premier thinks might, potentially, avail themselves of grant administration services once the legislation is through?

Mr M. McGOWAN: I thank the member for the question. The member is right; I know that it is suggested that this provision become permanent. It provides clarity that Lotterywest can use its expertise to provide grant administration services to grant programs of other government entities both during and after the emergency period should the need arise. It ensures that such grant administration services provided by Lotterywest cannot be challenged in the future. It is necessary that this amendment extends beyond the emergency period, as some grant administration services that Lotterywest provides may extend beyond the COVID-19 emergency period; for example, some grants take an extended amount of time before they are fully expended and acquitted, which could be well beyond the emergency period. Further, the recovery period is uncertain and there may be a need for Lotterywest to provide grant administration services following the COVID-19 emergency period. Therefore, not limiting the period in which this amendment applies will give flexibility and will enable Lotterywest to efficiently assist in any recovery period should this be required. Currently, under the Lotteries Commission Act, Lotterywest can provide consultancy or advisory services, but grant administration services are not explicitly mentioned. The amendments provide clarity that Lotterywest can provide grant administration services to a grant program of another entity. It will prevent any such arrangements being challenged at a later date. Lotterywest currently does it for Healthway and there is a prospect for the provision of grants for sporting groups in the future to assist the Department of Local Government, Sport and Cultural Industries. As has been explained to me—I think this is right—Lotterywest is an expert at governance, grant distribution and all those things. Other agencies that do not have the people with that expertise can seek the support of Lotterywest to do it. I think it is an efficient way of using government resources.

Mrs L.M. HARVEY: I understood from the briefing that this clause will permanently remain part of the act and permanently part of the future business of Lotterywest. I just want clarification that this provision is unlikely to be repealed from the act at a future point, but some of the COVID-19-related measures may be removed from the act to tidy it up, if you like. I understand that this particular clause is quite important for the future business of Lotterywest and is expected to remain a permanent part of the act.

Mr M. McGOWAN: That is correct and it makes sense. If other agencies do not have the expertise, they can seek support from Lotterywest to do it. I understand that it can currently be done through a service level agreement, which is what happens with Healthway. This will allow a less cumbersome mechanism to just do it directly—by arrangement with another agency—as I said, sports grants or what have you. They might not have the staff, the expertise, the governance or the auditing and all those sorts of things, so Lotterywest can help out. It is a very professional organisation—I might add, the envy of the country—so using it more broadly is probably a good thing and will probably result in better outcomes and a great deal more secure and respected governance.

Mr Z.R.F. KIRKUP: Proposed section 6(6) states —

Details of grants made by another person or body under a programme that is the subject of a contract or arrangement under subsection (3)(c)(iii) are not to be set out in the schedule required under section 26(1).

Is that the annual report?

Mr M. McGowan: That is not in this clause.

The ACTING SPEAKER: We are dealing with clause 5.

Mrs L.M. Harvey: Yes, clause 5 will insert section 6(6).

Mr Z.R.F. KIRKUP: I believe it is, Premier; sorry.

Mr M. McGowan interjected.

Mr Z.R.F. KIRKUP: Proposed subsection (6) refers to section 26(1); is that the annual report? I could not find what that means under subsection (3)(c)(iii). Why is that not required to be released as part of the annual report process?

Mr M. McGOWAN: If Lotterywest is administering another agency's grant, it is not shown as a Lotterywest contribution. That is so there is no confusion there.

Just to be clear, have we dealt with clause 4 and we are onto clause 5?

The ACTING SPEAKER: Yes; we are on clause 5.

Mr M. McGOWAN: I am advised that is the reason that clause is there.

Mr Z.R.F. KIRKUP: Would there be any other recordkeeping or anything like that released in the annual report that says the agency has been dealing with this agency's grant process, so there is some level of transparency about what that might look like?

Mr M. McGOWAN: If Lotterywest is transferring money from one entity to another entity, it would be required to be disclosed in the annual report in accordance with section 26 of the Lotterywest act.

Mr Z.R.F. KIRKUP: If Lotterywest is dealing with the grant process of another agency, would any money transferred be reported in its annual report? Would any money or grant process it has been dealing with be stipulated in the annual report of the commission?

Mr M. McGOWAN: If the money goes into Lotterywest's accounts, it must be disclosed. If it is administering on behalf of another agency, it does not, because the other agency would disclose it.

Mr Z.R.F. KIRKUP: I appreciate that. This is my last question on this matter. In the second scenario the Premier just outlined, imagine that that agency, which has been working with the Lotteries Commission, has not reported in its annual report that that process has been administered by the commission—is that the case?

Mr M. McGOWAN: I am advised that that happens with Healthway.

Clause put and passed.

Clause 6: Section 15A inserted —

Mrs L.M. HARVEY: I understand that the purpose of clause 6 relates to the particular circumstances we find ourselves in; that is, people may have to self-isolate and shops or agencies may need to close. That will present some difficulty in people claiming their prizes. Clause 6 will enable people to claim their prize using different means. I am curious to know whether the Premier expects this proposed section will be repealed once the current COVID-19 crisis is over or whether it is envisaged that this may become a permanent part of the act. People may be able to demonstrate that it is not reasonably practical for them to produce the usual physical evidence to claim their prize because of the current circumstances. They might be living remotely, for example, or they might be infirm or unable to leave the house by virtue of other ailments. I want to understand a little bit about the future of proposed section 15A. Is it envisaged that it might be modified in the future to allow for extenuating circumstances to be considered in the normal course of events?

Mr M. McGOWAN: This is tied to COVID-19, so it will be in place for the emergency period—six months or however long that goes. The reason there is no intention to extend this is we want purchasers to retain a connection with Lotterywest retailers. If we change it permanently and purchasers buying tickets cannot claim via the retailer, we will break the connection between the retailer and the purchaser. It may mean that retailers' incomes go down. The idea is this is for the COVID-19 period, not permanently.

Mrs L.M. HARVEY: This is more an administrative question: once this COVID-19 period is over, whenever that may be, should Parliament expect amending legislation to remove these proposed sections or is it likely that they may remain in the event that there is a future pandemic crisis?

Mr M. McGOWAN: The emergency period clause is like a sunset clause. These clauses, with the exception of the one earlier, expire. They will remain in the act, but because they are restricted to the COVID-19 emergency period, they will not have effect.

Mrs L.M. HARVEY: By virtue of them being tied to the COVID-19 emergency process, they become inert or inactive once the emergency period is over?

Mr M. McGOWAN: That is correct.

Clause put and passed.

Clause 7: Section 16A inserted —

Mrs L.M. HARVEY: This is another administrative question. This proposed section allows additional time for people to claim, given the current circumstances. If the current emergency period, heaven forbid, ends up being extended potentially to the middle of next year, is paragraph (h), which allows an extension of the period to claim to 24 months, specifically linked to the emergency period or will we be tied to the dates outlined in proposed section 16A(3)(a)?

Mr M. McGOWAN: Sorry. I don't see paragraph (h).

Mrs L.M. HARVEY: I didn't have my glasses on; it's paragraph (b). I do apologise. I will put my question again. Proposed section 16A(3)(a) refers to an extended period for a person to claim in the event that they might not be able to leave their house, for example. The first period is from 16 March 2019 to 15 March 2020, which is, as I understand it, to cover off on people who have a ticket that is about to expire. There is also an extension through to 16 March 2021. Paragraph (b) states —

if the result of the lottery is publicly declared on behalf of the Commission in the emergency period—the day which is 24 months after the day on which the result of the lottery is publicly declared.

My question is: if the emergency period extends beyond 16 March 2021, will there still be an extended period of 24 months for people to claim on their lottery tickets, or will we need to revisit the legislation?

Mr M. McGOWAN: It will be 24 months if people buy the ticket within the emergency period, however long that is. Obviously, it is a bit of an unusual provision. It would be very unlikely for someone not to identify their ticket within two years, but it is designed for the odd case of someone who is isolated or caught in some way and is unable to take their ticket and have it collected. This clause is a piece of kindness, I think, on the part of the Lotteries Commission.

Clause put and passed.

Clause 8: Section 24A inserted —

Ms M.J. DAVIES: The Premier addressed this in his response to the second reading debate. Just to clarify the Lotterywest process, my understanding is that this proposed section is about providing approval for Lotterywest to distribute grants to organisations that are not normally considered to be within their remit. We asked for a clarification of the Lotterywest process, which I think the Premier provided in his response. The process is board approval, then the Premier, as the minister responsible, can veto or approve. Can the Premier confirm that that is correct?

Mr M. McGOWAN: It has not changed at all. Every month, the Lotterywest board sends up all the proposed grants for my sign-off or rejection. I have not rejected one in the three years that I have been in this position. The process will not change.

Ms M.J. DAVIES: Thank you. I have a further question. If that is done on a monthly basis, will consideration be given to publishing those grants on a monthly basis and making them public? Is that what normally happens?

Mr M. McGOWAN: Currently, a report is not given every month. There are literally hundreds of grants. Some of them are down at \$5 000, and some of them are in the millions of dollars. The big ones are ordinarily the subject of a press release. There are so many of the smaller ones that I could not even tell the member—hundreds! They are disclosed in the annual report. I do not know what the scale of grants might be during this period. They may be small or large. I suspect the process will be exactly the same. They will be disclosed in the annual report, and the large ones will probably be the subject of a press release by either Lotterywest or myself as the minister.

Ms M.J. DAVIES: That leads to the question that we asked during the second reading debate. Given that these are unusual circumstances, will there be any greater level of transparency in that space? I acknowledge that a bigger grant is something that is worthy of a media statement, but I can tell the Premier that the small grants are really welcomed in our communities. I think the member for Dawesville may have raised the question of whether annual reports might also be bumped back, given that the budget process has been bumped back, so we might not see those published in real-time so that we are aware of where the money is going.

Mr M. McGOWAN: Personally, I think it is good news, so putting out the information is probably a good thing. We are more than happy to put out more information. I have found during this COVID-19 period that there is so much information that there is information overload, but we will seek to publish as much as we can about whatever grants are made to whatever organisations. I have a lot of confidence that the board of Lotterywest will make good decisions, so I expect that I will not be seeking to veto or stop any of the decisions that come forward.

Mrs L.M. HARVEY: I have a further question on this. Having read the explanatory memorandum, it seems that this will enable Lotterywest to provide grants to local governments to administer for a specific purpose, which is not something —

Mr M. McGowan: That happens currently.

Mrs L.M. HARVEY: That happens currently? So this will not expand the ability for Lotterywest to provide grant funding to anyone it is not currently providing grant funding to?

Mr M. McGOWAN: Lots of the grants go to local governments. They are better at acquitting grants than some of the smaller groups. Sometimes they enter into joint funding arrangements with groups for a clubhouse, a building or something. Local governments assist with that, particularly in regional Western Australia. There is a great deal of involvement by local government with Lotterywest.

Ms M.J. DAVIES: I am not entirely sure whether this question fits in this clause, but we did not quite get an answer when we raised it during the second reading debate. Will organisations that are current recipients whose grants have not been actioned yet be prioritised in future rounds? I have a letter from someone who has had their grant withdrawn. Although I understand that it is necessary because we are refocusing at the moment, has consideration been given to the prioritisation, after the process of these emergency powers has been completed, of those that were already in the system but have been put on the backburner?

Mr M. McGOWAN: I understand the point. No doubt, a lot of disappointed groups are out there. It is sad and disappointing for groups who worked hard to get grants. This is not a decision for me; it is a decision for the board. The CEO has just advised me that the board will look very kindly upon those groups after this period is over, bearing in mind that there are other priorities at the moment.

Ms M.J. DAVIES: Thank you, Premier. That is very heartening to hear. The other question I asked was about those who have received funds. I welcome that there will be a stream of funding for the cancellation of events. Can those who have received funding but have cancelled events keep the money, or are they required to hand any of it back because the event has not been held? Will they be discriminated against and told that they need to utilise the money that was provided for this year's event next year, if they can hold the event? A lot of the money will already have been expended in the run-up to try to get the event into play.

Mr M. McGOWAN: The broad point about the cancellation of events—I also asked this question—is that Lotterywest wants to fund groups that hold major fundraising events. For instance, I went to one a few months ago, the Ronald McDonald House Charities WA ball, which raises a lot of money to fund its operations during the year. I expect that Lotterywest would look at those sorts of events because those charities cannot hold their major fundraising events now, so topping up that funding would cover the money they normally raise from those events. If money from Lotterywest went to groups whose events that were going to be hosted were interrupted, the only recovery action that Lotterywest would seek is for money that was not already expended.

Ms M.J. DAVIES: I thank the Premier. That provides some clarity for me. The event that the Premier mentioned is similar to an event that is held in Kalgoorlie every year. Significant community groups in the region that were likely to fold as a result of that event not going ahead would be supported, and suppliers would be affected. I know of a number of other organisations that fall into the same category. They still have to pay their suppliers and they had already paid for a number of things. That will provide some comfort for those organisations going forward.

There was a lot of discussion about sporting clubs during the briefing we had. One of the questions I asked was whether funding was going to the state sporting organisations or to the sporting clubs directly. From memory, the advice was that Lotterywest was still working through the detail with the Department of Local Government, Sport and Cultural Industries. Has there been any further development on that front and could anything be added?

Mr M. McGOWAN: Guidelines are going to the board of Lotterywest to deal with the sporting club issue. The member should bear in mind that Lotterywest has not traditionally funded sporting clubs. One club that was brought to my attention was the Fever Netball Club, the state netball team, which has had some difficulties. It is important to ensure that organisations like that continue. They will have guidelines, and Lotterywest will seek to keep sporting clubs alive. We should bear in mind that the major priority should be emergency relief; helping families and charities that help people in need should be the first priority. But Lotterywest will obviously look at expanding that funding to sporting clubs, arts groups and the like that might not otherwise survive without assistance.

Ms M.J. DAVIES: I wish to make one last comment on that issue, which will probably get me into a bit of trouble. Having been a former sports minister, it is something that I dealt with on a fairly regular basis. The state sporting associations, particularly some of the larger ones, are suffering. Organisations such as the West Australian Football Commission and others are obviously having financial difficulties. I am not sure whether it falls under the AFL. A plethora of small grassroots organisations will have a great impact on assisting our communities to recover. There was always that tension about providing funding to the state sporting organisations as opposed to some of the smaller organisations further down the chain. It will be interesting to see how that is resolved by the department and Lotterywest so that it does not get swallowed up into the administration of some of those bigger organisations. It is not that I do not support those organisations but I have seen it happen. I encourage the board to spread the funding to equip our community and grassroots groups that are less able to put in those applications, but are nonetheless doing a wonderful job of supporting people and making sure they stay connected. I am sure the board is attuned to that, but I ask it to be mindful of that when going through the process. I also hope that arts and other organisations are given equal funding. We talk about sport a lot in this state. I think that some of those arts groups, particularly those that are unable to operate at the moment, like our sporting organisations, will also be looking for some of that support.

Mr M. McGOWAN: I understand the subliminal message that the member is conveying and the subtext of what she is saying. The focus will be on a needs basis and very much centred upon community-based sporting organisations. I outlined one earlier; Fever does not have the same financial base as some other organisations or codes in Western Australia.

Ms M.J. Davies: Message received.

Extract from *Hansard*

[ASSEMBLY — Wednesday, 15 April 2020]

p2098d-2109a

Mr Mark McGowan; Mrs Liza Harvey; Ms Mia Davies; Mr Zak Kirkup

Mr M. McGOWAN: That is the subtext of what the member referred to. It will be very much a community-based arrangement. As I said, I expect the lion's share of funding will go to charities to help people, families and other charities survive.

Clause put and passed.

Title put and passed.

Third Reading

Bill read a third time, on motion by **Mr M. McGowan (Premier)**, and transmitted to the Council.