

LOTTERIES COMMISSION AMENDMENT (COVID-19 RESPONSE) BILL 2020

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Sue Ellery (Leader of the House)**, read a first time.

Second Reading

HON SUE ELLERY (South Metropolitan — Leader of the House) [9.21 am]: I move —

That the bill be now read a second time.

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 of Lotterywest's existing powers. It will mean hardship packages can more readily be 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 had 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 maintain staff or to 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 be amended to remove any uncertainty as to 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 the government has taken to respond to COVID-19 have presented challenges for both Lotterywest retailers and players. This 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 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 ticket or instant lottery ticket that was either declared or has a closing day between 16 March 2019 and 15 March 2020 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 was 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 period of great uncertainty; that is, a lottery that belongs to the community and benefits the community at a time of their greatest need.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

Hon Sue Ellery; Hon Peter Collier; Hon Jacqui Boydell; Hon Alison Xamon; Hon Robin Scott; Hon Dr Steve Thomas

I commend the bill to the house and I table the explanatory memorandum.

[See paper [3799](#).]

HON PETER COLLIER (North Metropolitan — Leader of the Opposition) [9.27 am]: I have just received a copy of the second reading speech of the Lotteries Commission Amendment (COVID-19 Response) Bill 2020 and after forensically dissecting it, I can say that the opposition will be enthusiastically supporting this bill. I am mindful of the current situation with regard to COVID-19 and this bill most definitely falls into that category. I will go through a few issues with regard to the bill, but I will not take up too much of the house's time because we know the bill is eminently sensible and we will be supporting it.

I thank Lotterywest for the briefing I received yesterday. It was the very first briefing I have had via video link, Zoom or whatever it is. Nowadays, I have the IT skills of a stick insect; I could not quite work out what was going on. It took me a while to work out what to do and I was “Nigel No Friends” sitting there by myself with the three wonderful advisers from —

The PRESIDENT: Member, that is probably not the right choice of words in this chamber.

Hon PETER COLLIER: Yes, all exception to the Clerk!

It was a very good and forthright briefing. The Leader of the House can imagine that I was forensically dissecting the bill with the advisers and seeking some advice. Towards the end when I was in full flight, this big circle came up on my screen with “BS” in it. I do not know whether they were taking it out of me or whether somehow what I was saying was “BS”! One of the advisers said, “I notice that Blair Stratton from the LOOP office has joined”, so I did not feel so intimidated. I thank the advisers very much. It was a most informative briefing.

This bill provides an avenue for Lotterywest funds and grants to be provided in a seamless and prompt fashion to the organisations and groups throughout the community that need it most at this particularly challenging time. Lotterywest has been around since the Scaddan government in the 1930s, and it has provided literally billions of dollars to community organisations. In a lot of instances, it is their primary source of funds. I remember, in the nine years I was a minister, I gave out dozens of Lotterywest grants. Providing a Lotterywest grant is definitely one of the most rewarding things a minister can do. The minister gets a great big cheque and takes it over, the people from the organisation all rock up, and the minister hands over the cheque that will keep them going for six or 12 months, or whatever it might be. In this instance, we are not changing the format of the grant process or the probity; in fact, it is being enhanced, with the addition of Colin Murphy, a former Western Australian Auditor General, to ensure that the probity standards exist. Nothing will change from that perspective; that was one of the questions I asked yesterday. Of course, people will question whether the integrity of the grant's process will be maintained to ensure that those worthiest groups can access the grants. That certainty was provided by the advisers. Nothing about the probity will change; in fact, it will be enhanced with the addition of the overseeing of Colin Murphy, which is good.

Under this legislation, \$17.5 million will go to around 500 to 600 retailers who are suffering at the moment. They really are suffering. My sister has an agency, so I have a personal understanding of what they are going through. It is the franchiser essentially looking after its franchisees, and Lotterywest is very good at that. There is a \$159 million package to assist the not-for-profit sector to provide food, clothing, shelter and critical needs to some of the most vulnerable members of the community. In some instances, those grants may be minuscule in some people's eyes, but they are all those groups have. At the moment, the vulnerability of our community is spread throughout the state—it is not the usual suspects; it is right across the state—and it is absolutely vital that those funds are provided in a seamless and prompt fashion. Of those funds, \$59 million will be provided immediately, including \$20 million in emergency relief funding for places like Foodbank et cetera—we all know the wonderful job that Foodbank does—and \$39 million for small arts and the not-for-profit sector to cover event cancellations, and resilience grants for smaller arts and sporting organisations. As I said, I have great faith in Lotterywest and what it does. The money is well targeted, particularly to those members of the community who need it more than anyone. There will be \$100 million coming from future profits of Lotterywest.

According to the information provided in the advice, fewer funds will be available for some not-for-profits. The usual grants process will be set aside. Any grants that have already been awarded will be continued, but future grants will be suspended in favour of the COVID-19 response. There will be no more building grants until after the crisis. As I understand it, that might affect groups such as Scouts WA and Surf Life Saving WA, which were two examples provided to me. These measures will provide some challenges for those two organisations in particular, and probably others, but we are in extraordinary circumstances, so I understand why those decisions have been made.

The bill provides for an emergency period from 16 March 2020 to 15 September 2020. I understand that Fran Logan as the Minister for Emergency Services declares that. He can extend it, but he has to give written notice, it must be gazetted, and it must be tabled in Parliament. I think that those checks and balances are quite adequate.

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The bill clarifies that Lotterywest is legally allowed to administer grants as a head of power on behalf of some not-for-profits and agencies such as Healthway. This is the one element of the bill that will remain permanent, as it is not contained within the confines of the emergency period. I think that is correct; it has existed in the past, but it provides clarity for Lotterywest. Lotterywest is an expert in the field of grant dispersal, and I think that providing that certainty as a head of power for agencies like Healthway is a sensible step forward. As I said, Lotterywest is very, very good at administration. The bill will also enable Lotterywest to give grants to some smaller not-for-profits and sporting organisations that currently have a benevolent and charitable purpose in their constitution—for example, some regionally based childcare centres. Again, I think that is a sensible step forward.

The bill also deals with claiming prizes. It provides a longer period for people to claim their prizes, taking into consideration lockdowns and isolation, particularly for older people. For a lot of older people who rely on Lotterywest for Lotto et cetera, this is really, really important. Extending the period in which people can claim prizes means that people will not feel that if they win something, they will miss out. Again, I think that is eminently sensible. The bill provides for a longer time for people to claim prizes if they were won between March 2019 and March 2020, taking into consideration lockdowns and the potential closure of retailers; then, from March 2020, people will have 24 months to claim prizes as opposed to 12 months. That provides a little certainty, particularly for older members of our community.

The bill will allow for photographic proof of identity and a copy or fax of the winning entry to allow people to claim, so it provides that avenue and flexibility for some people who may not have the capacity to make the claim in a short time frame, and it provides that certainty.

With all that said, the opposition is supportive of this bill. We think it definitely falls into the category of COVID-19-related legislation. It provides flexibility and certainty for the dispersal of grants from Lotterywest to some vulnerable members of the community, so we will be supporting it. We do not at this stage have any necessity to go into committee.

HON JACQUI BOYDELL (Mining and Pastoral) [9.37 am]: I rise briefly to indicate the support of the Nationals WA for the Lotteries Commission Amendment (COVID-19 Response) Bill 2020. I will not go into all the detail as already explained by the Leader of the House and the Leader of the Opposition, because I think it is pretty clear what the bill sets out to achieve. In times when Western Australians are really struggling with the COVID-19 pandemic, it is a good news story that Western Australians can not only collect winnings quickly and offline, but also have an extended time in which to do so. I think that is exceptionally important. I think Lotterywest is in the hearts of all Western Australians, and all Western Australians rely on and enjoy Lotterywest's support of not-for-profit organisations and other entities that are many and varied across the board and the state. We all appreciate that. I think that being able to bring Lotterywest's expertise in grant administration to the table for other government entities is a really positive thing, and probably in the future can lead to a much more structured and dynamic system of grant administration within government as a whole. That is a very good thing.

I also thank Lotterywest for the briefing that it gave a couple of days ago. It was very informative and answered all the questions that we had, and I think it gave some clarity to the organisation's way forward and how it intends to act with government. The very basis of the priorities of Lotterywest will remain for those grassroots organisations, not-for-profits and small groups that would otherwise not have access to funding. I was heartened to hear that that remains at the heart of the decision-making. The only question I have, which the minister may address during her reply, is that given that the bill will allow for grant appropriation of Lotterywest's residual funds to go to other public entities, will that affect funding that Lotterywest had already committed; and, if so, how will that expected funding roll out to organisations if it is reappropriated to other areas, and how will they be able to maintain some support?

I note that there are some amendments on the supplementary notice paper that are very similar in nature in terms of a reporting function. If Hon Alison Xamon moves that amendment, we will consider it. I note that the government has a similar amendment on the supplementary notice paper, although probably not quite so descriptive. I look forward to listening to that debate. I think it is important to have a reporting function. I note that during debate on this bill in the other house, there was commentary that the government did expect that a reporting process would occur and was not really opposed to being able to do that. I look forward to the comments that will be made on those reporting requirements. The National Party will support the bill. We do not have any need to go to committee at this stage, unless members wish to move their amendments.

HON ALISON XAMON (North Metropolitan) [9.41 am]: I rise as the lead speaker for the Greens on the Lotteries Commission Amendment (COVID-19 Response) Bill 2020. I indicate from the outset that the Greens will support this legislation. However, I also feel that I once again need to get on the record that our opportunity to be able to apply our normal level of scrutiny to legislation has been severely truncated. It is really important for me to put that on the record, because if people come to me at a later date to complain and say, "Why didn't you

pick up on X, Y or Z?”, my explanation to them will be that we did the best we could under very trying circumstances. I think it is important to get on the record that we have not been able to avail ourselves of the usual processes for scrutiny of this legislation.

What the bill is anticipating and is clearly seeking to address is the impact of the COVID-19 crisis on Lotterywest players and retailers. We know that the social isolation measures and the possible closure of small retailers are likely to make it difficult for people to claim lottery winnings, because they are currently required to present the physical ticket. To address the issue, the bill seeks to extend the 12-month payout period by an extra 12 months, and to also allow Lotterywest to accept a copy of a winning ticket when a person is not able to present that ticket in person. I acknowledge that many Lotterywest retailers, like many other small businesses, are really struggling at the moment. I, of course, welcome support being provided to help them deal with the impact of the current restrictions on their cash flow. I also note that the provisions in this bill are time limited, which is an important component of the legislation.

The bill also contains provisions relating to the recently announced \$159 million COVID-19 relief fund. We are already seeing significant hardship in our community from the impacts of this crisis. Unfortunately, that hardship is anticipated to grow. The Greens absolutely support the intent of the bill to make it easier for Lotterywest to use its grant process to provide relief funding and hardship packages to the community. Other money from the relief fund will provide financial relief for not-for-profit sports, arts and community organisations that are also experiencing financial hardship as a result of the across-the-board cancellation of events.

Lotterywest has an excellent and very well deserved reputation for supporting Western Australian community groups and organisations for over 80 years. It is a structure that we in Western Australia are rightly proud of. It funds around 700 wideranging community projects each year, distributing about \$100 million through its discretionary grants. On behalf of previous organisations, I have availed myself of many of these grants. Importantly for the purposes of some of the comments I am about to make, Lotterywest has a reputation for administering these grants without fear or favour and is very well placed to provide quite robust and well-established grant processes to ensure that funding from the COVID-19 relief fund will be well directed.

This bill will amend the Lotteries Commission Act to allow Lotterywest funds to be distributed to public authorities for such purposes as Lotterywest thinks fit, whereas the act currently allows distribution only to eligible organisations and for approved purposes. Under this amendment, “public authorities” includes ministers, public sector agencies, local governments and statutory bodies. This will enable Lotterywest to fund another public authority to undertake a grant program during the emergency period, when such a grant program is beyond Lotterywest’s usual distribution powers. I understand from my briefing that the usual approval processes will apply to how the money is to be spent, including a recommendation by the Lotterywest board and approval by the minister. A specific example that was given to me during the briefing was that of sports organisations that might be suffering significant hardship because of the pandemic. They will potentially be able to be supported with this funding through the Department of Local Government, Sport and Cultural Industries. There is a willingness across the chamber for the intent of this to be implemented, but some transparency is perhaps required around that. Furthermore, some projects may not fit the current approved purposes definition. An example that I was given during the briefing was a small rural not-for-profit childcare centre. I also understand from the briefing that any groups that are supported, either directly or through a grant via a government department, must be not-for-profit and have a strong community focus.

Other provisions will allow Lotterywest to utilise its expertise in grant administration to assist other public authorities to provide grant programs during and after the emergency period. I understand that Lotterywest already fulfils this function—for example, with Healthway—but this amendment will provide a more sound legislative basis for this work, which is particularly important if this role is being expanded to support other agencies and organisations during the COVID-19 crisis. I anticipate that there will also be a benefit in avoiding duplication when Lotterywest helps to administer grants for other bodies. These provisions will of course apply only during the emergency period, for six months from 16 March 2020, which was the date of the emergency declaration. I note that the minister can vary the emergency period more than once, but will be able to exercise this power only during the emergency period. I was pleased to be advised that normal approval processes will apply to grants from the relief fund.

I welcomed the advice during my briefing that former Auditor General Colin Murphy is looking at the governance of the fund and providing oversight of the board, and will then be reporting directly to the board. I hold Mr Murphy in very high esteem. He is extremely well qualified for this role. However, I do have some concerns about the nature of the reporting. Obviously, we know that the COVID-19 crisis necessitates an extraordinary response. We are trying to protect the health and livelihoods of all Western Australians. Nevertheless, I do not believe that COVID-19 relieves the government of the responsibility to be transparent and accountable about how that money is spent. In fact, in these incredibly challenging times, we probably need this more than ever. It is our responsibility, as a Parliament, to scrutinise how those moneys will be spent, and it is the responsibility of those of us who are not government parties to hold the government to account. The primary act requires Parliament to be provided

with a list of the recipients of grants and how much they received each year, and that information is provided through Lotterywest's annual report.

My concerns are not with Lotterywest but rather with the transparency and accountability of any grants that are given by Lotterywest to government departments. I understand, and look to the minister to confirm whether I am correct, that the current bill, without amendment, would require Lotterywest to report only the amount that is provided to a government agency and the agency it is provided to, but it does not specify what the money is to be used for. I want to know whether in its current unamended form the bill would provide any other breakdown of the expenditure of this money through annual reports or, potentially, through the budget papers because, as has been said by other individuals in this chamber, the budget papers themselves are becoming less and less detailed and often it is very difficult to get that type of information. I have circulated an amendment for members that seeks to provide greater transparency and accountability about how an agency allocates any relief fund moneys that they are granted by Lotterywest. I note also that the government has circulated its own amendment that tries to address similar provisions, although not in as much detail as my amendment. I note that whichever amendment gets up, I believe it will be an improvement on the bill, but we will talk about which amendment may be more fit for purpose when we get to the committee stage.

Traditionally, Lotterywest is very transparent in how its money is spent. This tradition must not be undermined through these provisions, albeit they are temporary and I acknowledge that they are necessary. I welcome the indications that the money will be distributed quickly and I hope that the minister can provide information about what specific actions have been taken to shorten the time it takes for approvals, because I know a lot of community groups are desperate for that information. It would be remiss of me not to acknowledge that a lot of groups have contacted my office and are disappointed they will not get their projects funded this year because they do not fit the new criteria. I understand that it comes down to a limited pool and a priority of need. I am not suggesting that the new criteria are not appropriate in this incredibly challenging time, but we also need to acknowledge that these community groups do really important work. We need to be careful not to undermine them. Lotterywest is a very important source of grant funding. In fact, it is one of the few sources of grant funding for communities and in particular for small community groups. We are going to need these community groups, certainly after, if not during, the recovery. The Greens have a particular interest in grassroots organisations and environmental groups. I imagine that many of these will struggle to meet the COVID-19 criteria. I understand that the Botanic Gardens and Parks Authority, which manages Kings Park, has been told it will not get a grant this year and community resource centres have lost potential funding. I am personally quite concerned about the Herdsman Lake Wildlife Centre. It was awarded a Lotterywest grant to cover the project officer's salary and the cost of upgrades to create the new discovery centre. I hope there will be enough flexibility in the new funding arrangements so that the money can be used to help it stay financially viable until it can reopen. I understand that local governments have been directed to bring forward capital spending and that this will be an important part of our economic recovery, but the new Lotterywest criteria will result in funding for all small capital projects being declined. I hope the government will look at another funding stream for these really important small projects that provide local employment and much-needed facilities for community groups to use, because we will not be in lockdown forever.

To wrap up, I am extremely supportive of Lotterywest. It does fantastic work and has an excellent and well-deserved reputation. I am particularly supportive of its efforts to ensure that the money will be rolled out quickly to address the need in the community. My only concern is that we ensure transparency and accountability so that we can be absolutely crystal clear about where the money is going.

HON ROBIN SCOTT (Mining and Pastoral) [9.54 am]: I rise on behalf of One Nation to support the Lotteries Commission Amendment (COVID-19 Response) Bill 2020. Any financial relief to not-for-profit organisations, sporting groups and community organisations will be well received, particularly in regional Western Australia where many clubs and facilities will be struggling to survive this COVID-19 problem that we have. It is particularly important to regional Western Australia because sporting organisations keep the towns, families and various groups together. As far as a time frame goes to claim a prize being extended to 24 months, I doubt whether that will make any difference to my record of lottery wins! The general public dollars that support Lotterywest are going back to help the public organisations, and for that we strongly support this bill.

HON DR STEVE THOMAS (South West) [9.55 am]: I thank members for the opportunity to ask a couple of questions about the Lotteries Commission Amendment (COVID-19 Response) Bill 2020. As the Leader of the Opposition indicated, the opposition will be supporting the bill. I would like to ask the minister to perhaps confirm a few bits and pieces in the hope that will avoid me having to ask more detailed questions later.

I looked at the distribution of Lotterywest funds, particularly the 2018–19 financial records of Lotterywest, to see where they have traditionally gone. The 2018–19 financial records indicate that Lotterywest's total income was \$985 million, of which \$736 million was given out in prizes and grants in Western Australia. I presume that the costs were in the order of \$249 million. Of that \$736 million, \$455 million was won in prize money, which leaves

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approximately \$281 million available. The Lotterywest website refers to \$282 million, but I assume that is a rounding issue and will take it as read. The funding allocation is broken down this way: of the \$282 million distributed to the Western Australian community, health received \$144 million, sport received \$18 million, arts received \$18 million and a topic called “direct grants” received \$102 million. The allocation of the \$102 million is described this way: \$102 million was given to not-for-profit organisations, local government authorities, Perth Festival and Screenwest. I am interested in particular to see how that funding distribution is likely to change under the proposed legislation and the COVID-19 response to determine whether there is a significant variation. As is stated, \$282 million was given back to the Western Australian community in the existing process. It is interesting that the Minister for Environment quite reasonably provided some stimulus measure summaries during the last sitting week of Parliament. I refer to tabled paper 3753 for those who want to check, where this particular announcement—the Lotterywest funding for COVID-19 crisis support—rates a mention. It was apparently released on 30 March or a day or two before that. A media release, as part of the government’s response, reports that it will cost \$159 million. The stimulus measure summary provided in tabled paper 3753 also mentions \$35 million in net debt. I calculate that if we add the \$35 million that is presumably coming from the consolidated account to the \$282 million handed out to the community over the full financial year 2018–19, we get \$317 million. If the amount of money that was supposed to be coming out of this package was doubled, the numbers, I think, add up. Effectively, the \$159 million represents six months of net profit that would have been handed back to the Western Australian community if the 2018–19 financial year trajectory were followed. If that is doubled, it gets up to, effectively, \$318 million—nearly \$320 million. I assume that we are talking about grants that would have been handed out if this were a normal financial year, topped up by \$35 million from the consolidated fund. If the minister could work out whether that is an accurate reflection of where the funding is coming from and going to, I would very much appreciate that just to get a bit of certainty.

The other question that I would like an answer to—it may not be possible prior to decisions being made—relates to where the money went in the last financial year compared with where it is likely to go under this bill. Not-for-profit organisations, local government authorities, Perth Festival and Screenwest were given \$102 million. I presume that Perth Festival and Screenwest will fall by the wayside, but \$144 million went to health. I would be very interested to know whether that \$144 million is likely to be distributed to health under the new system, as it was under the previous system; for example, are there any statutory requirements or regulatory requirements that require that sort of investment in health? What sort of health investment are we looking at and is that likely to continue into next year? I note that during the second reading speech the Premier said that the government was looking at changing where money might be spent. He stated —

It will mean that hardship packages can more readily be 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 had 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.

If that is what the new system will provide, I would be interested to know how that significantly differs from the previous system, which was investing in health, sports and arts, and providing \$102 million to not-for-profit organisations and local government authorities. I suspect that local government authorities might be on the chopping block as well. But the bill before the house does allow one change, and that is for Lotterywest to provide residual grant funds to other public authorities, with the approval of the minister, of course. This is a bit of crystal ball gazing, but I am looking for two things as part of this process. The first is to try to get an indication of the change from the Lotterywest grant recipients previously and the Lotterywest grant recipients into the future. It is a bit tough; I get that, but I want to know how this is significantly different. What is the variation that makes this such an important bill before the house? Could the minister give an indication of the numbers and whether that is what the funding profile looks like and where the significant difference is in the targets? Surely the government has some target recipients in mind if it is bringing legislation before the house to require change because we cannot use the traditional system. If the traditional system is focused on the not-for-profit sector, the arts sector, the sports sector et cetera, somewhere in the government’s thinking process must be some idea of why we need this sort of change to the recipient process to send the money in a different direction, and whether that is just to the local government and Screenwest recipients. We are taking this change on trust, so if there is a better indication of where those moneys might go, I would be really interested to find out what that looks like.

HON SUE ELLERY (South Metropolitan — Leader of the House) [10.04 am] — in reply: I thank members for their contributions to the debate on the Lotteries Commission Amendment (COVID-19 Response) Bill. I thank Hon Peter Collier and Hon Jacqui Boydell for their recognition of the ongoing importance of Lotterywest in our community, and that retailers, in particular, have been hard-hit. I confirm that Hon Peter Collier’s description of how a state of emergency is declared is correct—he set out the steps used by the Minister for Emergency Services.

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Hon Jacqui Boydell asked a question about existing organisations that might, if COVID-19 had not happened, have expected to receive some grant money. I do not have an exact number, but about 40 or 50 organisations have been advised that the normal grants process has been suspended. If their application did not meet the criteria of COVID-19, it may well be revisited in the future, but it is currently suspended.

Hon Alison Xamon asked a specific and not dissimilar question about Herdsman Lake Wildlife Centre. I am advised that if organisations have already been advised that their grant has been approved, that grant will continue. I cannot confirm whether the Herdsman Lake grant has been approved.

A member interjected.

Hon SUE ELLERY: Yes, it has? So that grant will continue.

Hon Jacqui Boydell: Minister, of those 40 to 50, is there any chance that we could know who they are, or is there a list available?

Hon SUE ELLERY: I will ask while we are in committee, which we have to go into, and we will see whether we are able to answer that. In any event, all of those organisations have been notified, so they know who they are.

Hon Alison Xamon raised the issue, firstly, about reporting and transparency. Members will see two amendments on the supplementary notice paper. One amendment is in Hon Alison Xamon's name and one is in my name. The one in my name was drafted by Parliamentary Counsel's Office. The difference between the two goes to the scope of organisations that will have a reporting obligation. We say that the proposal in the name of Hon Alison Xamon goes beyond Lotterywest and puts a requirement on other agencies—we will talk about this when we go into committee—so people can understand where the government is coming from.

The amendment proposed by Hon Alison Xamon would impose additional disclosure obligations on both eligible organisations and public authorities. Currently, Lotterywest is required to disclose the names of eligible organisations receiving grants and the amounts awarded, and this ensures transparency. The amendment that the honourable member proposes is burdensome as it would require further detailed reporting by both public authorities and eligible organisations on money expended and the purpose for which it was applied. It is likely that Lotterywest will distribute thousands of grants during this period, and if the honourable member's amendment were passed, the additional disclosure obligations would be onerous. The obligations would extend well beyond the emergency period, as the disclosure obligation does not cease until all money is expended, and this could be extended for more than two years. The amendment in the name of Hon Alison Xamon also imposes obligations on other public authorities. This bill deals just with Lotterywest and the amendment in my name deals with the reporting obligations on Lotterywest. Our view is that the amendment put forward in my name addresses the issue that the honourable member raised about an additional obligation to disclose purposes for which a public authority must apply or has applied the funds. This ensures the level of transparency that the honourable member raised during the briefings and in her speech, and imposes obligations on Lotterywest, as is appropriate under the Lotteries Commission Act. The amendment in my name requires Lotterywest to include in its annual report a statement of the purposes to which a public authority applies, or will apply, funds distributed to it under proposed section 24A(3), as required under section 26 of the Lotteries Commission Act. This amendment facilitates increased transparency of the application of grants funding expended under the COVID-19 relief fund.

Hon Alison Xamon also asked a question about shortening the approvals time. Let me see whether I have a note about that. I do not think I do, but maybe I can answer that when we are in committee.

Hon Dr Steve Thomas sought some clarification about moneys and getting the sums to add up. The bit that was missing from the analysis provided by Hon Dr Steve Thomas was the statutory requirement to pay health, art and sport, which includes Screenwest and the Perth Festival. The act specifies that statutory grants are a percentage of sales. Statutory grants will continue; however, if lottery sales diminish—that is, if revenue diminishes—so will the grants, because they are a percentage of those sales. I think that was the bit missing from the numbers that Hon Dr Steve Thomas was seeking to crunch.

Hon Dr Steve Thomas: I asked whether there were regulations involved in that. Would it be possible at some point during committee, if not during this debate, for the Leader of the House to give us a breakdown of percentages?

Hon SUE ELLERY: We will try during committee, but if I cannot, I give the honourable member an undertaking that we can do it separately.

There was also a question about the nature of the applicants and whether they will be similar to existing applicants, for example. The intention is to increase moneys for emergency crisis relief fourfold, to apply the funds to event and fundraising cancellations, and to build resilience in the future. That is as big and broad as members want it to be. Frankly, it is pretty good criteria to have because we are going to need a lot of resilience building in the future. The board is currently considering the detailed criteria of how those things will apply.

Hon Sue Ellery; Hon Peter Collier; Hon Jacqui Boyde; Hon Alison Xamon; Hon Robin Scott; Hon Dr Steve Thomas

The \$159 million COVID-19 program is a fundamental redirection of Lotterywest's \$100 million discretionary grant program in 2019–20 and 2020–21, plus \$35 million of Lotterywest reserves—it did not come from consolidated revenue—plus \$4 million from the Department of Local Government, Sport and Cultural Industries. Lotterywest must also continue to pay its statutory grants. I have the percentages right here—who knew!

Hon Dr Steve Thomas: Excellent.

Hon SUE ELLERY: The percentage requirements under those statutory grants are: health, 40 per cent of the net margin; arts, five per cent; sport, five per cent; and then—someone is practising to be a doctor! I may or may not have been instructed to ignore it, so that is what I am going to do!

I think I have addressed as much as I can. I also thank Hon Robin Scott for his contribution and recognition of the important role that Lotterywest plays in regional Western Australia in particular.

With those comments, I commend the bill to the house.

Question put and passed.

Bill read a second time.

Committee

The Chair of Committees (Hon Simon O'Brien) in the chair; Hon Sue Ellery (Leader of the House) in charge of the bill.

Clause 1: Short title —

Hon Alison Xamon interjected.

The CHAIR: I will wait for the microphone to come on for Hon Alison Xamon, who has the call.

Hon ALISON XAMON: I asked a question during the course of the second reading debate and the Leader of the House indicated that she hoped to provide the information during Committee of the Whole. The question was whether the Leader of the House was able to provide any information about what specific actions are being taken to shorten the approval time.

Hon SUE ELLERY: The board currently meets once a month. The board is looking at now meeting twice a month to ensure that decisions are made quicker. The current process for dealing with emergency relief funding takes about three months; the board is looking at significantly shortening that. That is how they intend to shorten the process.

Hon Dr STEVE THOMAS: I thank the Leader of the House for the breakdown of the statutory requirements in relation to payments. There was a fourth category that was probably in handwriting very similar to mine. You go to university for a long time to learn to write that badly! At some time in the future, could the Leader of the House give us a breakdown of that fourth category as well, even if it is not today?

Hon Sue Ellery: Remind me of the fourth category.

Hon Dr STEVE THOMAS: The Leader of the House mentioned the statutory requirements for health, art and sport, and the fourth one was potentially a statutory requirement for community organisations. We just need to know whether it is a statutory requirement; and, if it is, what it looks like.

Hon SUE ELLERY: There is not a statutory requirement for community organisations, but there is for Screenwest and the Perth Festival.

Hon Dr Steve Thomas: Can I get a breakdown of that?

Hon SUE ELLERY: Yes. That amount is up to five per cent, but it can be anywhere between zero and five per cent.

Hon Dr Steve Thomas: For each?

Hon SUE ELLERY: Yes.

Hon JACQUI BOYDELL: Can we have a list of those 40 to 50-odd organisations that are not receiving funding? I acknowledge that they have already been notified, but could we know which ones they are?

Hon SUE ELLERY: Appreciating the crazy state of the world, the board has yet to formally sign off on those. I give the member an undertaking that once that happens, I will table the list of organisations.

Hon JACQUI BOYDELL: That would be appreciated, minister. I have one last question: is there any time line for the board's decision?

Hon SUE ELLERY: It is expected within the next two weeks.

Clause put and passed.

Clauses 2 to 4 put and passed.

Clause 5: Section 6 amended —

Hon ALISON XAMON: I note that this clause will allow Lotterywest to utilise its expertise in grant administration to assist other public authorities and provides that details of the grants that Lotterywest helps to administer will not need to be included in its annual grant schedule, which is laid before Parliament. I understand that these grants will instead be reported by the body whose money it is, as is currently the case with Healthway. Can the minister please confirm that this will be the case?

Hon SUE ELLERY: Yes, I can confirm that.

Clause put and passed.

Clauses 6 and 7 put and passed.

Clause 8: Section 24A inserted —

Hon ALISON XAMON: I suggest that it is probably useful for us to have the debate around my proposed amendment and the government's proposed amendment simultaneously, because they both try to address the same thing, albeit with different approaches. I appreciate the government's amendment. The minister spoke to the substance of the two amendments on the supplementary notice paper during the course of the second reading reply. I recognise that the scope of my amendment is far broader. I am concerned that the government's amendment is, perhaps, too narrow for my liking, although it will be up to the chamber to determine how it feels about that. Albeit I recognise that the government's amendment is absolutely an improvement to the legislation, I am concerned to ensure that, in the lead-up to an election year, we have as much transparency as possible around how expenditure is undertaken. I am thinking particularly of sporting organisations. We want to make sure that there is as much scope as possible for light to be shed on how moneys are being expended. I move —

Page 8, after line 19 — To insert —

(6) The Minister must —

(a) at the end of each year, present to each House of Parliament a schedule setting out the names of all eligible organizations and public authorities to which money has been distributed under subsection (3), and in respect of each eligible organization or public authority —

(i) the amount of money distributed; and

(ii) the purposes approved by the Minister under subsection (4) or (5) for application of the money; and

(iii) how much of the money has been expended; and

(iv) how the expended money has been applied,

and

(b) publish that schedule on a website maintained by, or on behalf of, the Department of the Premier and Cabinet.

(7) An eligible organization or public authority receiving money distributed under subsection (3) must give the Minister any information the Minister requires for the purpose of performing the Minister's functions under subsection (6).

(8) The operation of subsections (6) and (7) will cease when all money distributed under subsection (3) has been —

(a) expended by all recipient eligible organizations and public authorities; and

(b) included in a schedule presented to each House of Parliament and published on a website pursuant to subsection (6).

Hon SUE ELLERY: I have indicated that the government is not supportive of the amendment standing in the name of Hon Alison Xamon. If members will give me a minute, I will get a little advice and we might be able to move on.

I am still not in a position to support the honourable member's amendment, as it goes beyond what I am able to agree to. I can, however, give the chamber a commitment that Lotterywest will publish on its website, with a two-month lag, information about each public authority receiving money under proposed subsection (3) and a statement of the purposes to which it is applied or is to apply that money. I can give the chamber that commitment. That will be done administratively. It is not our view that that can or should be accommodated in the legislation.

Amendment put and negatived.

Hon SUE ELLERY: I move —

Page 8, after line 19 — To insert —

- (6) The schedule presented to each House of Parliament under section 26(1) at the end of each year must include, in respect of each public authority receiving money under subsection (3) during that year, a statement of the purposes to which it has applied or is to apply that money.

I bring to the chamber's attention that the difference between the wording here and the wording in issue 1 of the supplementary notice paper is the correction of the omission of a word. That second last line reads "... under subsection (3) during that year, a statement of the purposes to which it has applied or is to apply that money." The word "the" before "purposes" was missing.

Amendment put and passed.

Clause, as amended, put and passed.

Title put and passed.

Report

Bill reported, with an amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by **Hon Sue Ellery (Leader of the House)**, and returned to the Assembly with an amendment.