

## LOTTERIES COMMISSION AMENDMENT BILL 2011

### *Second Reading*

Resumed from 2 November 2011.

**MR D.A. TEMPLEMAN (Mandurah)** [12.20 pm]: I would like to indicate that I am not the lead speaker on the Lotteries Commission Amendment Bill 2011, but I wish to make some comments on this amendment bill. I am pleased the Premier is here to listen to debate on the bill. From my reading, it is a relatively simple amendment bill and does two key things. One is it allows the Lotteries Commission to formalise a syndication process by which the commission can formally offer syndicates to its retail distribution network. I am sure most members put on the odd lotto ticket and know from when they go into the newsagency or an agent for the commission that a lot of the agencies run syndicated tickets. People buy a share of that. I have done it a couple of times.

I understand the problem that the proposed amendment in this bill seeks to overcome by formalising the setting up of syndicates. The bill allows retailers to sell shares in the syndicate to their customers but does not impose on the agency itself the imposition of any unsold shares. In other words, my understanding is that if an agency has a couple of systems shares—from memory, usually systems that are over system 9 or 10 start to get up to a few hundred dollars, even a few thousand dollars in systems higher than systems 10—and any of those remain unsold, the agency is liable for the unsold share.

From my reading of the Premier's second reading speech, this has a negative impact particularly on smaller agencies and possibly those in smaller country towns or smaller communities, and therefore the retailer is not really encouraged, I suppose, to offer syndicated tickets at this time, because they ultimately could be required to carry the unsold syndicate shares. My understanding from the second reading speech is that this bill formalises the commission to take on that risk.

When the Premier presented the second reading speech to Parliament, he noted that it is anticipated that this service will generate around \$10 million a year in sales, and a return of over \$3 million to Lotterywest beneficiaries will be the result. Further in the speech he indicated that it will also generate in the order of \$900 000 in commissions to Lotterywest retailers. I will be interested to hear some clarifying comments in the Premier's response to debate on the second reading in regard to that particular paragraph in the second reading speech.

I have always been interested in ensuring that the agencies still get a reasonable share for being a point of sale for Lotterywest. Certainly I have a few friends who in the past have been newsagents and held an agency. The Premier in his response to the bill might be able to indicate what the current percentage of take is for the number of tickets a newsagent sells. I am not sure what it is now. In other words, what percentage of the lottery ticket sale is retained by the retailer itself?

**Mr C.J. Barnett:** Basically, you are talking about the commission rate.

**Mr D.A. TEMPLEMAN:** Yes, the commission rate—perhaps the Premier could also update us. Maybe the Premier could also update us on whether that has changed, and how long it has been since there has been a change to that commission rate. I can remember there was a catchcry that newsagencies were always very profitable enterprises. I am not necessarily sure if that is the case now, but I would be interested in the Premier's comments, particularly on what the commission rate is for the agency.

I do not have any problem with the first key aspect of this amendment to provide a much greater process of syndication. I think that is good. I do have a couple of questions—again the Premier in his response might be able to allay my concerns—about the second key element of this amendment bill. Before I get into that, I know Lotterywest has gone online and people can purchase their lotto tickets online for the various games each week. I would be interested in hearing from the Premier—I am sure his advisers will be able to provide it to him before he rises to close debate on the second reading—what is the current take-up of online access to lotto.

My wife and I have an account with Lotterywest. We now purchase tickets online more than we do by going to the newsagent. Quite honestly I feel a bit bad about that, because I like that personal approach. I must admit on a Saturday afternoon when I suddenly realise, "Gee, wait a second. I haven't put my lotto on," it is quite beneficial and convenient, if it is five o'clock—it closes at 5.30 pm in winter—to jump on board and just make sure my lotto is on.

I know there are constraints on how much people can invest. From memory, \$200 is the maximum someone can bet at any one time. I suppose that has been put in place because of potential problem gambling. Perhaps the Premier in this response could give an update to the house on what are the statistics with regard to the take-up of

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online gambling by people investing in Lotterywest tickets. This is something that probably could be better asked in budget estimates; however, it would be interesting to know whether people who have an agency are reporting to Lotterywest a downturn in the number of people buying across-the-counter lottery tickets. I would be interested if the Premier could give me some form of answer to that. I am sure the people from Lotterywest can do that.

I want to say a couple of other things about Lotterywest. This is more from a community perspective. As the Premier highlighted in his second reading speech, we are very fortunate in Western Australia. I used to be able to present Lottery Commission cheques. Unfortunately in opposition we do not get to present lottery cheques any more. We do not get asked to do that. The government gives that to its members; and, if they do not hold the seat, it gives that to its upper house members. That seems to be the trend. So I have not been able to hand out any Lottery Commission cheques for the last four years, and I am disappointed about that. But one of the things that I do when I present a Lottery Commission cheque to any community group is highlight—I think all members should do this, quite frankly—the fact that Western Australia is unique in the country, because unlike the lottery system in other states of Australia, our system does not deliver a dividend to a privately-owned family company. After the administrative costs of Lotterywest as an entity are taken out, a significant amount of money is delivered back to the community for the benefit of the community. One of the things that people forget is that last year, Lotterywest delivered \$250 million —

**Mr C.J. Barnett:** It was \$240 million.

**Mr D.A. TEMPLEMAN:** Yes. Included in that was \$101 million for health services. It is remarkable that people in Western Australia, through their participation in Lotterywest, are able to deliver that money to the health system. So I always encourage members, when they are asked to present a Lotterywest grant cheque, to read the little preamble that everyone is given. That preamble is really important, because it points out that this state is unique in Australia, in that a huge percentage of the moneys that are invested in Lotterywest are returned—after the winnings, of course—in the form of community benefits. That is significant and it is not something that we should take lightly.

**Mr C.J. Barnett:** No. Just on that, the money that goes to health has generally gone into the health budget. That has been the case for many, many years. What I am proposing, and what Lotterywest has agreed to, is that in future that money be tagged—for example, it may fund all new equipment in the hospital system—so that people will be able to identify what it is in health that this money is going to.

**Mr D.A. TEMPLEMAN:** I think tagging it is a good idea, because it will highlight to people that their investment is being delivered through genuine benefits. I support the Premier on that.

The uniqueness of our system in Western Australia is something that we can be very proud of, and we should remind community organisations and groups, big and small, of how lucky we are that even though we are part of the Australian lotto bloc, we are not part of the system that impacts on those who purchase tickets on the eastern seaboard.

The thing that does worry me about the bill—again, perhaps the Premier will be able to allay my concerns—is that in his second reading speech, the Premier states that the bill also seeks to amend the act to include a capacity for Lotterywest to enter into a contract or arrangement to provide consultancy or advisory services, and ultimately to charge for those services—in other words, a fee for service. That is my understanding of the second part of this bill. On the surface, we could say: why should not the Lotteries Commission have the capacity to enter into a contract or arrangement to provide consultancy and advisory services? However, I would ask the Premier in his second reading response to give us some examples of when this might occur.

The Premier also states in his second reading speech —

Lotterywest is generally willing to offer these services freely as a normal part of its community service responsibility and on the vast majority of occasions will continue to do so.

That is a preliminary comment. I know from my experience in Mandurah that the Lotterywest officers have almost bent over backwards to provide good quality advice to community groups who are not sure how to work up a project and how to make sure that their grant application includes the elements that the Lotteries Commission requires to enable it to fulfil its part of the transparency process.

**Mr C.J. Barnett:** I can reassure you that it is not about that.

**Mr D.A. TEMPLEMAN:** I know, and I am assuming that it is not. To give an example, the Mandurah over-55s cycling club might want to build a trailer and be looking for lotteries funding of around \$5 000 or \$6 000. What concerns me—this is why I want the Premier to give me a couple of examples—is that the Premier states also in his second reading speech that the Lotteries Commission “may recover costs when the request for services

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involves significant resource implications and where the organisation requesting those services has the capacity to pay". I would like to know whether local government would come into that.

[Member's time extended.]

**Mr D.A. TEMPLEMAN:** For example, Lotteries House in Mandurah is now 20 years old. There is certainly an increased demand in Mandurah for further space for non-government agencies and community groups. Mandurah probably now needs another Lotteries House or a similar space. I would hope that local government would not fall into the category of an agency or an organisation that has the capacity to pay. The local government in Mandurah is working up a project with the Lotteries Commission officers for the provision of that space. In the spirit of what that community project is about, I would question whether that local government authority is intended to be captured by this particular proposal. From memory, there are examples of corporate organisations that have worked in tandem with Lotterywest on good projects. I might be corrected, but I think the children's playground in Kings Park was funded primarily by Rio Tinto, or was it Synergy?

**Mr C.J. Barnett:** Naturescape is Rio Tinto.

**Mr D.A. TEMPLEMAN:** Obviously a corporate organisation has supported that project, and it is certainly a worthwhile project. If the resources of Lotterywest were required to be called upon in working up such a project and in partially funding such a project—the project might be of a significant nature—would one of the considerations be whether the organisation, as the auspicing body, had the capacity to pay? I am not necessarily saying that the organisation should not pay. But would that be one example that could be captured under this amendment? I have two questions there. The first is whether local government would be captured in this. I would certainly oppose that, because traditionally Lotterywest has worked very closely with local government shires and councils on a lot of important and strategic projects that have come up in their communities. I would not like Lotterywest to say, "Because we've had two of our officers working on this project, we're now going to charge you a rate to do that." I think that is part of the business of the entity of Lotterywest that it actually continues to work with the community, including groups like local government, to make sure that the projects that get up and are funded and developed reflect the priorities and needs of that community. I suppose I am seeking from the Premier some reassurance in respect of this second item.

In the final paragraph of his second reading speech, the Premier said that services provided to another Western Australian government agency would not be charged. He said that services provided to another Western Australian government agency would normally continue to be provided without charge, and that cost recovery to those agencies or to any other organisation would be sought only when the requirement for service is considerable and places resource demands on Lotterywest. Again, I suppose I am just looking for an example or some reassurance about what that might mean. On one hand, the Premier is saying that normally we do not charge Western Australian government agencies; however, later in the same sentence, he said that cost recovery to those agencies or any other organisations would only be sought when the requirement demands. If I read that correctly, it actually opens up the possibility for other state government agencies to potentially be charged. I expect it would have to be a pretty big project that would trigger the capacity for Lotterywest to do that.

The Premier should have given some explanation in his speech as to what he meant by "cost recovery"; are we talking about human hours, work hours, or research that is required to be carried out et cetera? There are very high quality officers within Lotterywest who have worked with various communities throughout Western Australia. I know of a number of projects, not only in my electorate but also in electorates in the far north west, where officers from Lotterywest have worked really closely with communities and quite often over a long period of time to clarify whether the projects that the communities are proposing are the best and right ones in terms of the strategic nature of where they want to go. They then work with the communities to actually work up the proposals so that they stand alone as projects that are worthy of funding from Lotterywest.

Of course, there is sometimes a demarcation line; that is, which services or projects should be provided by Lotterywest, and which ones fall under the core business of government, particularly government agencies? I would not like to see Lotterywest become a funder of services. We can put aside the health service; I think it is a good idea to tag health benefits because people can then see exactly where the funding is going. But I would not like to see agencies that should normally be funded through government resources looking at Lotterywest as a cash cow to top up their budgets and provide projects that should actually be budgeted for through the Treasury process.

I know that Lotterywest is all about partnering; it is all about working in partnership, but I think we have to be very mindful that Lotterywest does not become a cash cow for the government to top up agencies that may have had their budgets slashed, so that the government can use Lotterywest as an alternative funding mechanism. I think it would be very dangerous if that were to happen, because it would be double dipping by government.

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I am sure the Premier will have the opportunity to give his response later this afternoon, and I ask him firstly to give me a little information about current trends with regard to commissions to agents. Secondly, I ask him to give us an update on trends with regard to the take-up of online gambling; I do not like to use the term, but the reality is that it is restricted online gambling. I would also say that the second amendment is of particular interest to me; I would like to know what it means in real terms for the user-pays principle for big projects or organisations, or projects that might have significant resource implications, in situations in which those services might be requested from an organisation that is seen to have the capacity to pay. The Premier needs to give me some details about that and I would really like my question about local government answered: are local governments potentially going to be asked to pay, even if they are working up a big project? Mandurah city council is working up a major expansion of our aquatic centre and most of the money will come from government, but some of it will be from Lotterywest. I would be interested to know whether local government is in the sights with regard to this clause.

I will leave it there, but I would appreciate it, when the Premier gives his response, if he could address those questions.

**DR J.M. WOOLLARD (Alfred Cove)** [12.48 pm]: The Lotteries Commission Amendment Bill 2011 will allow the Lotteries Commission to offer syndicates to its retail distribution network for sale to the public, and includes the capacity for the commission to enter into a contract or arrangement to provide consultancy and advisory services. The Premier said in his second reading speech that the Lotteries Commission was a wonderful idea. It is a good act; it means that the money people put into buying lottery tickets will go back into community services. He said that last year the amount was \$240 million, with \$101 million going to health. He said that it was anticipated, if these amendments go through, that there will be an additional \$10 million a year generated from sales. In response to a question from the member for Mandurah, the Premier said that some of these funds might be tagged for hospital equipment. I think I heard the Premier say that; it was a bit difficult from back here!

I am speaking on this bill because, although I agree with some tagging of health funds, I would hope that we look further than hospital equipment. The Education and Health Standing Committee currently does not have the capacity to conduct another inquiry that is fully devoted to hearing problems. We know that there are serious hearing problems in some Indigenous communities, particularly in the north west, where up to 40 per cent of children can be affected by hearing problems. Committee members were made aware of this when we visited the north west a few weeks ago. Last week the Liberal, Labor, National and Greens parties in the upper house organised a breakfast forum at Parliament House on hearing problems. As part of that breakfast, a presentation was made by the CEO of the Telethon Institute for Child Health Research about the great role that had been played in improving hearing problems by the hearing buses in the south west. We know that up to 40 per cent of children in some communities in the north west have hearing problems and that there are sound speakers in school classrooms in the north west. Some schools now need Auslan teachers at the front of the classroom because of the number of children affected by hearing problems. One of the suggestions put to me at the breakfast—I happened to sit next to an ear, nose and throat surgeon—was that \$1.5 million would pay for a mobile unit that could travel around the north west to identify those children with hearing problems. He also said that if a child had had successive ear infections, that child could have grommets put in within five to 10 minutes. An amount of \$1.5 million could make the difference for children who suffer from repeated ear infections and hearing loss, which affect their performance at school and out of school and which will affect their performance for life.

I am very pleased that some of this money will be tagged to particular areas. It gives me an opportunity to bring to the Premier's attention that there are serious hearing problems in children in the north west and that we need to look at ways to address those problems. A suggestion from one of the paediatricians we met was that school health nurses check all children on a Monday morning, particularly during the wet season, and that those who have an ear infection be treated with antibiotics at school for the week and that when they have been treated for two infections, they be sent to an ear, nose and throat specialist.

I will be interested in the Premier's answers to some of the questions put to him by the member for Mandurah, particularly his response to the online gambling issue. When I looked through the bill initially, I just saw that more money would be generated and that this money would go to a good area—if that is health. We do not have the problems with gambling in Western Australia that the eastern states have. I pricked up my ears when I heard the member mention that, so I will be interested in finding out a bit more about the amendments in the bill. I am not too sure where he was going with those comments, but they were a bit concerning because I would not like to see in five or 10 years, as an unintended consequence of this legislation, gambling problems in WA.

I hope that when the Premier says "tag" hospital equipment, he really means tagging equipment for the health system; and, that if any tagging does occur, it is for equipment that is needed in the community so that we can try to improve community health and, consequently, reduce the costs on our acute hospital sector.

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**MR M.P. MURRAY (Collie–Preston)** [12.55 pm]: In following on from the previous speaker, I hope it does not come down to us waiting for lotteries funding to equip our health system. I think that would be an absolute disaster.

Turning to the Lotteries Commission Amendment Bill 2011, the issue of syndication has been around for a little while. In times gone by, under the old lottery system people bought a ticket. If the lotto retailer in Collie did not send in the unsold tickets, he had to pick up the bill. It was very fortunate for our local lotteries man. He or one of his staff forgot to send in the butts and he won lotto, which started him off on a very successful career in Collie. In fact, he still owns the lotto shop, but I do not see him working there too many times during the week. There are positives about having to pick up the end result. My real concern about syndication is whether there will be a cap on it. These days professional punters are quite willing to outlay extraordinary amounts of money in syndicates to try to pick up the big lotto winnings in the hope that they are the only person who picks it up. I am talking about people who put into a syndicate anywhere up to \$50 000 to corner the market. I wonder whether there will be a cap on syndicates or whether it will be open to all players, whether they be Australians or outside punters. If we do not look at that, the little punter will probably drift away from the lottery system as it is at the moment. I am also concerned about how that will be paid for. We saw a case in the north west in which a person banged out, I think, nine copies of the biggest lotto combination at a huge cost but did not pay for it. That meant that the odds and the dividend results were changed because that amount of money was included in the overall sum. Some checks and balances are needed in that area but I do not see those in the bill.

We have to be very careful. We know that some people have problems with punting, whether it be on horses or lotto; it does not matter much. We have to be careful about putting in place some checks and balances and about allowing people to use a credit card, a cheque or cash, which could be used for laundering money raised through other devious methods. Some gossip is that people have said that they have bought \$10 000 worth of lotto tickets and won \$5 000 but they laundered the money so they could say that the ticket was legit. People buy multiple tickets, and I understand that that is how they get rid of the money raised through drugs.

We have to be very careful. The other point that I would like to make is about lottery syndicates and Lotterywest picking up the unsold tickets. Again, that could skew the winnings available to the day-to-day punter. In a large syndicate worth \$250 000, with three shares sold out of five and each share worth \$50 000, the Lotterywest contribution would be \$100 000. If that syndicate wins, Lotterywest will take a fair slice and put it back in its own bag. Again, that reduces the returns to the people on the floor—the people who have supported lotteries and lotto for a long time. In days gone by in Australia, participating in lotteries and lotto has been one of the things that people do. I am concerned about those people being short-changed.

**Mr C.J. Barnett:** If the unsold tickets that will be retained by Lotterywest are prize-winning tickets, then the prize money is paid into the grants program, so Lotterywest does not retain it.

**Mr M.P. MURRAY:** That still means it is taken out of returns available to the day-to-day punter because it is going into that program. Lotterywest will be a punter in the system because it will be part of the syndicate. If there are five shares in a syndicate and two of them have not been sold, so they remain with Lotterywest, then Lotterywest could be a winner. The government is really a punter, which I am concerned about. I am concerned that the government will become a punter in the true sense, even to the point of letting more syndicates go out to agents that will not be totally filled; and, if we look across the board, maybe 50 or 60 large syndicates are not completely filled and Lotterywest could own 100 shares out there. I am concerned about that because it means that the people who are buying the tickets are going against not only the odds, but also the government, in a roundabout way. If that is allowed to happen, then a government organisation could be accused of playing the game in the hope of winning to keep those funds, and the winnings are not going to the people who may be lucky enough to win. I certainly had a few tickets in those last large lotteries. I was also a winner, but it cost me twice the amount that I received as a return to get a winning ticket. I do not think that was a very good investment! However, some people are quite willing to spend those huge amounts. We hear that people go to the casino and are willing to drop \$5 million or \$10 million in a punting session; they leave and then come back again. Those same people participate in those large lotteries and they are quite willing to put big money into buying tickets because they are gamblers by nature and gamblers by habit. It is part of their business. The only difference between Lotterywest and the casino is that if someone loses more than \$10 million at the casino, they get a 10 per cent rebate. I will never be in a position to find out!

**Mr D.A. Templeman:** Have you won a significant division prize?

**Mr M.P. MURRAY:** I won \$1 200. I was very lucky, because I had had a real big night out the night before and the wife was not talking to me, but when I gave her the ticket I was back in her good books. I remember it well. I had the easiest time getting her to talk to me! As I said, I am really concerned about how that money is paid. I do not know whether the Premier has thought about checking to see whether money laundering is going on, but I

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would like to hear something from him on that. Nowadays people with devious natures could certainly find a way to legitimately claim a lotto win from tickets purchased with money that had come from illegal means.

I will move on to some concerns that the previous speaker mentioned and that I think the Premier has already indicated is not the intent of the legislation, but which I think the bill may allow; that is, a charge for advice provided to people who want to apply for a reasonable-size Lotterywest grant. Generally, people ring up and ask for advice. I would hate to think that some not-for-profit groups or sporting groups that have to go through the system will be charged X amount of dollars for that advice.

**Mr C.J. Barnett:** There will be no charge for that.

**Mr M.P. MURRAY:** As I read the bill, there could be a charge, and I wonder how that will work when the Premier is long gone and someone else has a different opinion. Certainly, if the Premier's response is in *Hansard* that will give us a bit of a chance. Also, will the advice that is available from Lotterywest to the general public or not-for-profit groups be limited? The Premier has said they will not be charged, but will Lotterywest limit the amount of advice those groups can receive? For some of the larger grant applications, people can go to Lotterywest and ask how to fill out the forms, what is needed and what is the pro forma, and that advice is given as needed. They are some of the concerns I have, and I hope that the Premier can allay those concerns.

The Premier may throw his head back and scoff at me for raising this, but I am also concerned about this movement towards semi-privatisation, privatisation or getting Lotterywest ready for sale. As members know, some of the others lotteries around in the other states are run privately, which I think is deplorable; and to some degree it is the case in our state as well under the lotto system, where the funds that are raised go to a company that, admittedly, holds the risk. On the other hand, Lotterywest could be moved over into a private enterprise or sold to a private enterprise for a quick gain to balance the government's budget or for other purposes. At the end of that process, the state will not get that huge return, and it has been a great return, I must say, that has occurred over many years. I have some concern about that, because privatisation is only one small step on from charging for services. Once we start to do that, it is just another step and another step after that before Lotterywest is put up for sale and the government gets \$500 million or \$1 billion to balance other areas and we lose control of our lottery system. I hope to hear a positive response from the Premier on that.

Another issue is about online gambling and its operations. We saw last week, unfortunately, that the people in the north west were unable to get some tickets in those large lottery jackpots because the coaxial cable was broken between here and the north west. That caused quite a stir for the poor old lotteries agent with people running in thinking they might be able to win \$50 million and finding they could not get a ticket. If there was a syndicate involved, those people who bought tickets online would be in and the general punter would be out, because the way I see it, people in a syndicate can purchase tickets online for draws that are weeks ahead. Those people in the north west who missed out last week were probably a bit lucky to miss out because the odds against winning were so high. Also, that incident cost Lotterywest a significant amount of revenue, since the agent was not able to sell tickets. I have a problem with proposed new subsection (3A), which reads —

For the purpose of facilitating syndicate entries to games of lotto, the Commission may purchase entries into games of lotto,

The word "purchase" should be changed, because it allows Lotterywest to buy into syndicates rather than just picking up the leftover tickets. It is a technical point, but it would allow Lotterywest to say, "You buy three shares and I will buy the other two," rather than saying, "We have to pick up a share in a syndicate of five," which is quite different. I would be very cautious about the words "purchase entries into games of lotto". That could very much go astray in the future. That is another issue that I would really like responded to. The last thing we want to see is an agency becoming a professional lotto player. We have to look at that as well. We should certainly not make those agencies the punters of the day; people should put their money in as well.

I am concerned about a few things along those lines. I am sure that other members will raise a few more issues. The main thing to look at is the top end and how it can be abused. We should make a few more amendments to the bill so that these people cannot scam their way through. Lotterywest should not become a main player and be a purchaser. The people down the bottom end should continue to get their dividends back at a reasonable cost without punting against the government at the same time.

**Mr C.J. Barnett:** The reason "purchase" is in there is so that Lotterywest can purchase its own tickets to form a syndicate, which it will then sell shares in. It is behaving like anyone else, not to be a player. It does not hold back tickets; it will actually purchase tickets, in a sense, off itself to form a syndicate and then some shares in that syndicate so its smaller retailers can sell syndicate tickets. They do not expect to have any unsold shares in that syndicate.

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**Mr M.P. MURRAY:** Is the Premier saying that when they set that amount, the agents would buy them off Lotterywest so they are in the agencies' hands?

**Mr C.J. Barnett:** Yes, because the smaller retailers are simply not big enough to take the risk of forming syndicates themselves and being left with unsold tickets. Lotterywest would form a syndicate and then make that available through the smaller retailers so they will not face risk but they will be able to sell syndicate tickets like some of the bigger retailers choose to do already. It will actually help the small retailers. I understand the point you are making.

**Mr M.P. MURRAY:** I thank the Premier for that. Overall, I think the changes are positive. We do need to keep it in government hands. I am very concerned about that. We need to be able to direct where the money is going and not have a short-term grab for all sorts of things in the future, including health, sport and many other things that lotteries fund. A lot of those organisations generally would not get funds unless the lotto system was around.

**MS A.R. MITCHELL (Kingsley)** [1.13 pm]: I rise to speak to the Lotteries Commission Amendment Bill 2011. I am one of those people who has seen the community benefit greatly through Lotterywest. As the member for Mandurah said earlier, we are very fortunate that we have such an organisation in Western Australia; it is unique. It is not a private enterprise and the community benefits are much greater than in many other cases.

I want to give a couple of examples of this. First, I will mention the benefits to the sport and recreation community from the sports lotteries account. Five per cent of the net subscriptions received by Lotterywest become available through the Department of Sport and Recreation's sports lotteries account. There is no doubt that this money has made a difference to sport in Western Australia over the past few years. At the moment it receives about \$10 million a year. That amount varies from year to year, depending on the sale of lotto tickets. I get very excited when I see a jackpot advertised because when the budget is prepared for the sports lotteries account each year, it does not include potential jackpots. The people at Sport and Recreation rub their hands in glee every time a lotto jackpot comes up because that means an increased amount of money will go to the sport and recreation community. Even though it is a little hard to budget because we do not know what the sales figures will be each year, there has not been a decrease in that account for many, many years. That is a positive. I know that the arts community is also very appreciative of the support it gets but this support is very much part of the lives of the sporting industry. Eighty-two state sporting associations benefit directly from the sports lotteries account. They get funding to assist them in governance, participation, high performance and people development.

Let us not forget that this week is National Volunteer Week. Volunteers are the lifeblood of many community organisations. There is no doubt that support from the sports lotteries account and many other organisations through Lotterywest certainly benefits those volunteers. I made a little slip-up before I spoke about sport and recreation. This money is only going to sport in Western Australia. That works very well. Other funding is available for other organisations but this funding is for sport, as defined by the international bodies.

I have seen firsthand how organisations have developed and grown and become better at what they do through this financial support. It is certainly significant. It makes a difference to an organisation. It means that it does not have to go to five or six different sponsors and fit in with what they want. This money means that the sport can choose how it best works within its environment and it is not dictated to by a sponsor to go a certain way. That makes a huge difference to an organisation. It is not often shown to be important.

I have mentioned state sporting associations but many other organisations and groups have also benefited from this funding through different programs. The Australian Paralympic team does not get as much support as the Australian Olympic team. It values this money. The Western Australian Institute of Sport also gets a percentage. WAIS has made huge announcements about new facilities. At the same time, it needs money to run programs. We will all be watching Western Australian athletes compete at the London Olympics in July this year. The sports lotteries account, through Lotterywest, has made a difference and continues to make a difference to our own athletes at the highest level.

Lotterywest is involved in inclusive initiatives—things that help get people together who would not normally be involved in community organisations and activities. I must also mention Royal Life Saving WA and its water initiatives. We see these programs on an annual basis. What a difference they make to ensure that aquatic activities are safer for many people. Another program that was introduced a few years ago involves club development officers helping people in clubs handle the detail and the work they have to do. That started off totally from funds through the sports lotteries account. I know it has been transferred into other areas. That was a significant development and a significant initiative that has made a huge difference to local sporting clubs. We all have those clubs in our electorates and we all know how important they are to what goes on.

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I have been involved in a broader sense through community presentations of Lotterywest cheques. It blows me away when I see some of these organisations because of what they do and how they do it. They often do things without any fanfare and most people do not know these organisations exist. The biggest one in my electorate is the Brightwater Care Group, which supports people who do not have English as their first language and enables them to participate and be looked after better. I can go to the opposite end, to the Greenwood Police Rangers (Cadets), whose work is also very beneficial. Teen Challenge does fine work with young people and people with drug and alcohol problems. The local church groups run the community Christmas carols in the park. They give fantastic support to the community. The Greenwood toy library has assisted volunteers to replenish and update their toys.

I must commend my local lottery outlets. If members want to go to a place where things are happening, they should go down to these outlets and see these people in action. It is almost like a social gathering. People talk to people that they do not normally talk to. How often do we see that in our society nowadays? People just chat to people at the counter, talking about whether they won or lost. It does not matter whether they won or lost; they are there and the people behind the counters treat everyone the same, which is quite a positive thing. I would say as well that a lot of these agencies commit to the community in their own right, and I think that is also true testament to the calibre of the people and the organisation they are proud to be involved in.

Members, I am very confident that the proposed amendments in this legislation will provide even greater benefits to the community, and therefore I have no hesitation in supporting this legislation.

**MR W.J. JOHNSTON (Cannington)** [1.20 pm]: I am pleased to rise to speak to the Lotteries Commission Amendment Bill 2011. It is interesting to note that people may not realise that the odds of picking the correct six numbers to win a first division prize are one in 8 145 060. It is interesting to note that, basically, we do not have any chance at all of winning a first division prize, which is very sad. Another thing people might not realise is that the odds of a number coming out one week do not change for the next week, so if someone is picking six numbers this week, the odds of picking the same six numbers in another week are absolutely identical and never change. This is actually one of the most important parts of playing a lottery game in that the odds never change; they are always fixed, they always happen at the same rate. It is always amusing to hear people talking about their special numbers and those sorts of things because it does not make any difference; in fact, the odds of the numbers 1, 2, 3, 4, 5 and 6 coming out are exactly the same as the odds of any other number coming out because it is all random. The whole reason people can participate in a lottery game is because it is completely random; it is just mathematics, it is just numbers, and there is no magic to it at all.

The other thing people need to understand is that the house always wins, no matter what happens; it is based on a percentage of turnover so that the house is always going to win, no matter what.

**Mr J.E. McGrath:** It is the same with the TAB.

**Mr W.J. JOHNSTON:** Yes. In fact the TAB decides the odds after the race, which is ridiculous; at least a bookie is giving odds and people can play —

**Mr J.E. McGrath** interjected.

**Mr W.J. JOHNSTON:** Yes. People can play the margins, because if they have information or a better guess than somebody else, the bookie—because they can give fixed-price odds—will then adjust his odds based on the size of the bet. The classic one on that, member for South Perth, is betting on elections. Members will have noticed that there are often very large individual bets on elections that move the result very significantly, and that is because there is a limited pool to cover the bet so that the odds have to be changed very dramatically if there is a large bet. With lotteries, because it is all done in a completely random manner, the odds cannot ever be changed. One of the lottery products we have—what do they call it? It is the one where people have to pick three numbers—I cannot even remember the name of it now. It is on television every night. When my children were younger, if we were sitting down to watch the six o'clock news —

**Ms J.M. Freeman:** Powerball.

**Mr W.J. JOHNSTON:** Powerball—no, not Powerball. Whatever it is called, it does not really matter. People have to pick three numbers, and I would always get the kids to tell me what the last number drawn was going to be. I used to do it when they were in years 5, 6 and 7 when they were starting to learn about statistics. I used to do it as a statistical lesson, because in fact that is a great way of having a look at statistics because the result of the final number is completely random, and so over a long period that can actually be seen. Powerball is the Thursday night one, when there are five numbers plus one number out of a different pool.

**Mrs C.A. Martin:** Cash 3.

**Mr W.J. JOHNSTON:** That is the one; it is called Cash 3.

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If we use Cash 3 and take the last number, over a period of time we can show kids that the last number is always random by the fact that any number will always come up, over a long period of time, the same number of times as every other number. That is the whole basis on which Lotterywest runs its business, because it is completely random. It can entirely control the odds for that reason, and then it can restrict the payout to the size of the pool; and because it has very sophisticated models, it can adjust it and have the super draws to absorb its additional profits, but basically it knows exactly what is happening all the time. Most professional gamblers do not bet on lotteries because they cannot play the numbers game and they are more interested in playing games like horseracing or whatever for which the odds can be changed by having information. It is interesting that the only game at the casino that the house always wins, of course, is poker, because the players are playing against each other and the house is just taking a percentage of the pot. The house loves it because it has a fixed revenue and the punters love it because they will have a higher return because they are playing against each other, not the house. That is the one game in which players do not have to face the inevitable result of the fact that the house always wins. Of course, that is why casinos are happy to give a benefit to a large junket player because they know that if they can encourage him to bet more, eventually the junket player will lose all his money to the casino as well. People will never get rich playing these games because the odds are completely stacked against them. However, because the first prize is so large, everybody has the lotto dream and we all get involved. I, personally, have never bought a lottery ticket, but my wife buys them regularly, so one day maybe my children will get a postcard from Bermuda, but it will be my wife's money, not mine, that pays for it.

**Mr C.J. Barnett:** Perhaps she will win and you will take off!

**Mr W.J. JOHNSTON:** Yes, perhaps I will, Premier. But there is only a one in 8.145 million chance of it happening, so it is probably not worth the Premier holding a breath until that day!

**Mr C.J. Barnett:** I suddenly feel sorry for your wife; she has some slim chance!

**Mr W.J. JOHNSTON:** Do not go down that track, Premier. I mean, the Premier is the one who complains about people bringing family matters into this place.

**Mr C.J. Barnett:** Oh, really!

**Mr W.J. JOHNSTON:** Yes; do not do it.

**Mr C.J. Barnett:** Precious!

**Mr W.J. JOHNSTON:** There is a comeback that I could use, Premier, but I am not going to.

**Mr C.J. Barnett:** Go for it.

**Mr W.J. JOHNSTON:** Anyway, I want to go through this question of the unsold shares. The Premier's second reading speech states —

What was previously a manual process involving the player receiving only a hand-processed receipt for their entry into the game can now be done automatically through the lotto terminal, giving the player a valid ticket which can be redeemed at any retail outlet.

I want to clarify whether that is all syndicate games, or whether it is intended that those larger lotto kiosks that are not in the position described for small retail outlets will also be giving an automated ticket out of the Lotterywest system? I raise that because I am not sure whether it has happened in Western Australia, but I have read that in other places, if there were eight shares in a lotto syndication, the agency was selling 10 shares on the basis that there was not likely to be a win, but if there was a win there has been a dispute about recovering payments. I would not mind some clarification about whether it is the intention —

**Mr C.J. Barnett:** That would be illegal.

**Mr W.J. JOHNSTON:** Yes, of course it is illegal.

**Mr C.J. Barnett:** It would be fraud.

**Mr W.J. JOHNSTON:** Yes, it is a fraud, but the problem, of course, is that the fraud has occurred and the person has lost the money. The question I have is whether it is intended to make sure that the electronic ticket is issued to everybody buying a syndicate share, or is it only going to be in those small lottery agencies that are using Lotterywest as the founder of the syndicate? Does the Premier understand what I am asking?

**Mr C.J. Barnett:** Yes.

**Mr W.J. JOHNSTON:** Because by interjection to the member for Collie–Preston it seemed to indicate that the electronic processing would be done only for the small agencies that are not doing their own syndicate, but it was not clear what the large kiosks that have syndicates not currently underwritten by Lotterywest will be doing

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with the shares. So what happens with the commissions on that? Again, if it is intended that the large kiosks will have an electronically issued ticket—I think the Premier is about to give me an answer—does the kiosk share any element of their commission with Lotterywest for it being done through the electronic system? Obviously, if they have to share the commission, they are much less likely to want to do it that way.

**Mr C.J. Barnett:** All syndicates must do it through the machines. The ones that did it manually will not be able to do that after June.

**Mr W.J. JOHNSTON:** That is a good decision and the right approach. As the Premier says, it is fraud. As I said, I have not read about it in this state, but I have read about it elsewhere. It is clearly fraud, and I am not trying to cover up for anybody. It is better to have a proper receipt and a proper record so that there is less chance of dishonest conduct and so that if dishonest conduct takes place, it can be exposed very quickly.

I refer to the unsold shares and the winnings returning to Lotterywest's pool for distribution. Has any modelling been done on this? As I understand it, the idea is that the small kiosks have to buy the share off Lotterywest. Therefore, if there are six shares, five lottery agencies and one unsold share, that is the one that is retained by Lotterywest. How many unsold shares are there expected to be? What is the expected extent of those unsold shares that will be retained by the Lotteries Commission?

When the Premier takes up the issues that were raised by the member for Mandurah, it would be worthwhile for him to explain what the circumstances of consulting will be for Lotterywest. If it is not intended to be for public sector organisations and if it is not intended to be for grants recipients, what sort of organisations are expected to do consulting activities? If it is expected to be for potential grant recipients, is there any guideline about what size a grant recipient has to be before it is charged a consulting fee?

**Mr C.J. Barnett:** There will be no charges at all for grant recipients or potential grants recipients.

**Mr W.J. JOHNSTON:** It is not clear. I am not certain what sorts of organisations it is expected the consulting would be done for. The Premier can explain that now or later. I do not think it is necessarily a bad thing, but it is not clear in the bill.

In the system of playing games here in Western Australia, we do not have poker machines. Nobody in this Parliament supports poker machines coming into Western Australia. That means that social and sporting clubs in Western Australia do not have the income stream that clubs have in other states. There needs to be a careful examination of how we can give sporting organisations and social clubs in this state not only a grants-based income scheme, but also some form of ongoing support. A grant-focused income stream is not necessarily the best solution. Therefore, it would be worthwhile for the Lotteries Commission to examine how it can provide those organisations, particularly sporting clubs, a long-term income stream that is not based on grants. I have got some great sporting clubs in my electorate of Cannington, but they often have trouble planning for long-term capital equipment. They often have problems with planning for ongoing operations because they have fluctuating membership bases as different age groups move through. A club may have two teams in a particular age group and it has good income while those kids go through, but when they drop out at the end, the club loses a team or two; a club might lose 10 or 15 per cent of its income because it loses a particular age cohort that supported the club. A sporting club can have quite large swings in its income to maintain the basic operations. In other states, that basic operation money can come partly from social clubs that may produce poker machine revenue. Nobody wants poker machines in Western Australia and that is good, but it means that clubs do not get that ongoing underlying income stream. It would be worthwhile for the Lotteries Commission to look at how it can provide an income stream on an ongoing basis to sporting clubs and, likewise, to social clubs. I do not know what the case is in other members' electorates, but in my electorate I have a couple of very good social clubs. They are very small with small membership bases, so it is often quite difficult for them. The Cannington Districts Social Club is trying to fund some capital replacement. If it could have an income stream, that would help.

The other thing about the community grants procedure is to ensure that the benefits of the grants of the Lotteries Commission are shared equitably across the state so that there can be a clear identification that the benefits from the grants pool are going to the areas of most need. I am not aware of any study being done by the Lotteries Commission to examine, for example, the geographic nature of where its grants go. Because, generally speaking, it is an applications-based process, communities that have a larger level of capability in writing grants applications will tend to benefit more from the grants pool than areas of the state that do not have as effective a capacity to write grant applications. As I said, I do not believe it has been done, but I think it would probably be worthwhile to look at where the grants from the Lotteries Commission go.

[Member's time extended.]

**Mr W.J. JOHNSTON:** For example, because the lotto life is pitched at working-class people, a higher percentage of working people's incomes is spent on lottery tickets than that which is spent by higher income

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earners. That is the nature of the process of lottery products. All around the world the research is always the same. That means a higher percentage of the income of working-class people is going into the pool for grants than income from higher income areas. However, it is quite likely that if we ever examined where the grants are being delivered, we would find that often the grants are being delivered to the areas with the higher income. Therefore, they are not being returned to the people who are paying the money. The classic example of that is the decision of the government to ask the Lotteries Commission to fund the people's program for the Commonwealth Heads of Government Meeting. That was a waste of money. It should never have been allowed to happen. I am not certain why the lotteries commissioners sitting around the board table made that decision. It was clearly wrong. It is a classic example of money being misallocated out of the grants pool because it is an applications-based process. When I read the media releases on that grant decision, I tore out the very little bit of hair I have left. I could not believe how the Lotteries Commission, with its advertising focus and its stated objective of helping ordinary Western Australians, suddenly funded an event sponsored by government. All it did was subsidise the operations of government. It was wrong.

I would love to see a proper geographic analysis of the benefits that come out of that grants pool, because I would be very surprised if the grants pool is benefiting the people who are most in need in this state. The fact that it is an applications-based process means that, as in other places where an applications-based process is used, the grants will tend to exist for those who are best able to write grant applications and not necessarily for the people who most need assistance. That is particularly the case—research all around the world shows this—when we consider that a higher percentage of the income of working-class people goes into that pool than the percentage of income from high-income earners. Clearly, that pool should be directed back to working-class people.

I want to raise another specific issue about the grants process for community organisations. Some community organisations have limited tenure on the buildings in which they reside or for which the government is the landlord and they cannot bid for capital grants from the grant pool. It is appropriate for Lotterywest to make sure that the capital grants it provides have a long-term benefit for the community. However, that means that an organisation with a five-year lease on its premises cannot get a grant to improve the capital facilities it is using. In addition, if it is renting from government, it also is unable to apply for a grant for capital improvements to the organisation's facilities. I specifically draw to the chamber's attention Boogurlarri Community House, which is in my electorate in the suburb of Langford and of which I am a director. Boogurlarri Community House is a tenant of the state government. It is for that reason it has been told that it cannot get a capital grant for improving its facilities in Langford. That is a pity because there are not many facilities for the people of Langford. It is one of the lowest income suburbs in the state. On the Socio-Economic Indexes for Areas it sits at 89, when 90 per cent of suburbs fall between the range of 90 and 110. The staff and volunteers at Boogurlarri Community House do a first-rate job. Recently they were shocked to find out that they will not get First Click or Second Click funding from 1 July and they also cannot get capital grants from Lotterywest to improve their facilities. There needs to be a careful consideration of the competing interests between Lotterywest wanting to ensure that its capital grants provide long-term value for money, and, equally, the need for community organisations with restricted tenure on their properties to improve their facilities for the community. If that is the focus of Lotterywest—certainly that is what it portrays in its television advertising when it encourages working people to spend a higher and higher percentage of their income on lotteries products—there should be some return back to those communities.

We need to continue to monitor Lotterywest's online sales channel. I am always concerned about online gambling. I believe that it would be a great thing if a parliamentary committee in the next Parliament were to inquire into Lotterywest's online gambling channel and perhaps the whole operation of Lotterywest. I remind members that in my inaugural speech I made the point that there are a lot of opportunities for parliamentary committees to go beyond the day-to-day political cut and thrust, which is why I say that it should be done by a parliamentary committee. This is another instance in which we could do that. A parliamentary committee could also inquire into the relationship between lottery agents and Lotterywest. Sometimes we hear complaints from lottery agents about the way they are treated by Lotterywest. We never know whether it is just complaining for the sake of it or whether there is more to it than appears on the surface. Again, a parliamentary committee would be in a very good position to examine all those issues.

**MR J.E. McGRATH (South Perth — Parliamentary Secretary)** [1.45 pm]: I am not a great lotto player—although I have had the occasional flutter on a horse or two—but I am aware of the practice in some lottery kiosks. There is a little one in my electorate not far from where I live and the guy who operates it runs syndicates. I do not know whether he sees me as a man of greater wealth than I am, but he always lines me up to take any tickets that are left in some of his syndicates. The other day I had a bit of a windfall—not much—and he pointed out that I had won \$140. I said that it cost me \$80 to get it, so it was not the huge windfall that we all hope for when playing lotto. I can see that the Lotteries Commission Amendment Bill 2011 will help people like

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him because he will not have to carry a liability if he does not sell all the syndicate shares in those syndicates that he is carrying. I am also a great supporter of Lotterywest and the community grants scheme that has been operating since 1990. It is a great boost to community groups in our state.

However, I rise today because South Perth Bridge Club has fallen between the cracks, so to speak. It is a community club with 456 members. The club holds bridge games every day and about 600 participants from all parts of the metropolitan area take part in the sessions. It is quite a strong club and has been operating out of a facility in Barker Avenue just off Canning Highway. However, because of some changes brought about by the City of South Perth, the club is about to move to its new headquarters. It has been offered the Manning Library premises on Manning Road, which will be a good facility for the bridge club. However, the relocation could cost about \$1 million. The problem for South Perth Bridge Club, I am told, is that when it makes an approach to Lotterywest for funding, Lotterywest tells the club that the funding comes under the Department of Sport and Recreation because bridge is a sport, but the Department of Sport and Recreation says that bridge is not a sport and that the club should go to Lotterywest. The club is basically in no-man's-land. I have told the club that I would take up the matter with the Minister for Sport and Recreation and I have spoken to him about it and he will look into it from his perspective. I would like this club, which is a very important community group in my electorate, to get an outcome through either Lotterywest directly, or through the Department of Sport and Recreation's community sporting and recreation facilities fund. I do not want to upset the bridge players, but I think bridge is more of a community event rather than a sport, but it is an important community event because bridge is played widely around the world. It is a quite intense game and people take it very seriously when they join a bridge club because the club becomes part of their life. I am raising this matter today and I might also raise it again during the consideration in detail stage to find out, either through the Premier or directly from Lotterywest, where Lotterywest believes bridge sits—as a sport or a community event—and how Lotterywest can help South Perth Bridge Club get funding for important infrastructure that will give the club a good facility and meeting place for up to 600 people at any given time.

I am sure everyone in this chamber would agree that clubs such as bridge clubs, which are not-for-profit organisations, need support. At the moment there is a little indecision as to whether its funding should come through the Department of Sport and Recreation. I will talk to the Minister for Sport and Recreation this afternoon about whether in fact they should be able to go to Lotterywest. My view is they should be able to make a direct application to Lotterywest. I am sure the Premier will support me on this, if I talk nicely to him! I felt this was an opportunity for me to raise this issue during debate on this bill. I support this very important legislation. The Lotteries Commission has helped many community groups throughout Western Australia. As the member for Cannington said, we do not support poker machines. A lot of people say what a great thing it is that our state has never gone down that path. Consequently, a higher percentage of people invest in lotto in Western Australia than in other states. I think that is a good thing. The way money is reinvested in the community through Lotterywest is something that Western Australians should be proud of.

**MS J.M. FREEMAN (Nollamara)** [1.51 pm]: I, too, rise to speak on the Lotteries Commission Amendment Bill 2011. It is rather interesting that the issue of grants to eligible organisations was raised by the member for South Perth. I want to raise an issue around the whole concept of eligible organisations. The definition, obviously, is they are not for profit and for charitable and benevolent purposes, so they tend to go to community and local governments. One could argue whether local government is for benevolent purposes.

I want to talk about a project run by the United Voice union. The union put in an application to Lotterywest but it was not funded. That was a real disappointment. The application related to an African employment program. The Premier will be aware that many newly arrived humanitarian entrants into Western Australia are African, predominantly west African and Sudanese. Applying for employment, especially in government agencies, is quite a complex process. The issues confronting migrants in filling out forms and getting proof of birth certificates and other such proof can be quite daunting to newly arrived migrants. United Voice worked with a number of hospitals—Sir Charles Gairdner Hospital being one—and also with Burswood Casino, to facilitate employment mostly for African but obviously other newly arrived humanitarian refugees in mostly low-skilled employment, such as cleaning and personal care attendant employment. The project was headed up by a gentleman named Samuel Riek. The Premier may know Samuel—he is the current president of the African Community of WA. At one stage he won quite a serious accolade through the Office of Multicultural Interests. He was active in working with youth and the Indigenous community when there was some conflict in the late 1990s and early 2000s—well prior to my time in this place. Samuel worked with these people extremely well to ensure they understood the process. They went through a training program. Assistance was given that benefited hospitals and Burswood Casino. This was at a time when it was difficult to find employment for PCAs, cleaners and general hands. Unemployment was at an all-time low, yet it was still high in these areas of the community. The project benefited both the community and the organisations. The fact that it came through United Voice was

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clearly because that seemed to be a way to facilitate this. United Voice came into contact with the community. The community was complaining about the lack of employment. Equally, organisations such as the casino and Sir Charles Gairdner and Royal Perth Hospitals were complaining about not being able to get employees. They worked together on what was a really great project. Projects such as these are difficult to undertake. Many of those people were low-income workers. Membership fees were being used to run a project that was time intensive. United Voice applied to Lotterywest to establish and receive ongoing funding to continue that project. Lotterywest came back and said United Voice did not fit the criteria of an eligible organisation, which I think is a real shame. It was a lost opportunity. Since that time, people have, in job links and areas like that, tried something of a similar nature but it has never actually been dealt with in the same way. It was extremely short-sighted because good employment practices and good employment prospects occurred because of this project.

Obviously, we all love Lotterywest grants in our communities. We welcome them. We have a high consideration and appreciation of Lotterywest especially when grants are provided to our communities. It is a great asset to our communities and to our state that many grants are for services that meet the needs of the most disadvantaged. I agree with the member for Mandurah that that should not be at the cost of the core business of government agencies. Government agencies should not transfer or shift costs onto Lotterywest because of funding shortfalls. I have an example of this. About a year and a half to two years ago, the Office of Multicultural Interests shifted a whole section of its costs onto Lotterywest. It glamorised it; it dressed it up as being new guidelines for a revised application form for the community grants program through Lotterywest. In fact, it just changed its method of funding so that communities could no longer go to the Office of Multicultural Interests for celebrations such as national days or community days; they now had to go to Lotterywest for that. That change in funding has caused a restriction in funding. The problem that has been created by this shift in funding from the Office of Multicultural Interests across to Lotterywest is that community organisations and cultural groups could previously apply to the Office of Multicultural Interests for relatively timely and quick funding but now they have to go through the lotteries process. They have gone from a process in which an application could be made and funding received within a month, maybe two months, to be replaced by an application that now tells them they have to put in an application at least six months prior to being told whether they will be successful for the grant. This has a major impact on what is a voluntary community trying to organise community events, to continue to establish and grow their community cohesion so they have those benefits that we talk about—contributions across age groups and elder groups in terms of influence. Therefore, we have gone from a situation —

Several members interjected.

**The SPEAKER:** Thank you members!

**Ms J.M. FREEMAN:** We could have a situation in which people who are obviously time poor, who are trying to establish themselves in a new country, are trying to run a community event. For example, the Eritrean community has a community event coming up in a couple of weeks' time. It is establishing itself as a community and is trying to run a community national day to have that sort of community celebration. Instead of being able to go to the Office of Multicultural Interests, as it could previously, and organise that through a process that was reasonably timely, it has been placed in a very long and arduous process.

Debate interrupted, pursuant to standing orders.

[Continued on page 2663.]