

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

**2020–21 BUDGET ESTIMATES AND
2019–20 ANNUAL REPORTS**



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
THURSDAY, 19 NOVEMBER 2020**

**SESSION FIVE
LOTTERYWEST**

**Members
Hon Alanna Clohesy (Chair)
Hon Tjorn Sibma (Deputy Chair)
Hon Diane Evers
Hon Aaron Stonehouse
Hon Colin Tincknell**

Hearing commenced at 5.00 pm

Hon SUE ELLERY

Leader of the House representing the Premier, sworn and examined:

Ms SUSAN HUNT

Chief Executive Officer, examined:

Mr IOANNIS GEROTHANASIS

General Manager, Lotteries, examined:

Mrs LORNA PRITCHARD

General Manager, Grants and Community Development, examined:

Mr JEREMY HUBBLE

Chief Finance Officer, examined:

The CHAIR: Good evening, everyone. This is the hearing with Lotterywest. On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing. I will now swear in all witnesses.

Please state whether you have read, understood and signed a document titled "Information for Witnesses".

The WITNESSES: Yes.

The CHAIR: It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on Parliament's website.

The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question.

Members, before asking your question, I ask that you identify whether it relates to the budget papers or annual report and provide the relevant page number.

Minister, have you a brief opening statement?

Hon SUE ELLERY: No, thank you, Chair.

The CHAIR: We will go straight to questions. Members, you have about 11 minutes each for questions.

Hon PETER COLLIER: My question relates to page 581 of budget paper No 2. In relation to the decision of the board of Lotterywest not to support a grant proposal from Margaret Court Community Outreach, due to public statements made by the organisation's founder on gay and lesbian issues and on marriage equality, was that decision unanimous from the board?

Hon SUE ELLERY: I am happy to assist the committee in providing answers in respect to matters in the annual report or the budget. I am not going to be dealing with particular individual decisions of the board. They are not captured in the budget or in the annual report. The specific decision that

you are referring to was indeed outside the reporting period. But if there were questions, honourable member, about the criteria generally applied to those sorts of decisions, I am happy to assist the committee with that.

Hon PETER COLLIER: What a sham—an absolute sham!

Hon SUE ELLERY: You may think so, honourable member; that is your right.

Hon PETER COLLIER: I do. It is an absolute disgrace.

Hon AARON STONEHOUSE: It is absolutely within the scope of this committee.

Hon PETER COLLIER: It is just disgraceful. I cannot believe that, as a minister of the Crown, you are sitting here and you have just made that comment.

Hon SUE ELLERY: The comment I have made, Madam Chair, is that I am honouring the reason that we are all here, which is to answer questions about the matters related to appropriations set out in the budget and matters set out in the annual report. The specific decision that you are referring to is in fact one that was made outside the reporting period, and it is not appropriate to go through individual decisions and who did what on the board about a specific matter that does not go to appropriations and does not go to the matters that are covered in the annual report.

Hon PETER COLLIER: I have heard what you have to say. It is a disgrace. You are leading this government in a shroud of secrecy that you have done for the last four years. You are an absolute disgrace.

With regard to decisions that are made by the board, have any decisions been made by the board in relation to grants over this budget period based upon a particular organisation's attitude towards same-sex marriage?

Hon SUE ELLERY: I am happy to get the CEO of Lotterywest to talk about the criteria that the board applies to applications for funding. I am happy to get her to provide the committee with information about that, so I will invite her to do that.

Ms HUNT: Thank you. The grants framework, which has been tabled in this house, does provide guidance to the Lotterywest board and has for the last financial year—for the half of the year until COVID-19 hit when there were some more specific grant programs introduced. The board is the decision-maker under the Lotteries Commission Act and it specifies very clearly—there was an answer to a question during 14 October—that the board may distribute funds to eligible organisations as the Lotterywest board thinks fit. It is a board decision and, in this case, the community investment framework, which we tabled, was the guiding document. Every Lotterywest grant is considered in a community-development approach; that is, the grant officers work closely with the applicants to try to develop up the grant application. We do go through a process. We are actually looking at check eligibility criteria within the governance framework, which is very strong for Lotterywest. We seek any additional information and clarification from applicants when required, we seek referee reports, we assess the proposal and there is also a risk assessment. The risk assessment is really an important aspect of grants assessments, given that Lotterywest is a strong brand; that is a very important aspect. That is then considered by the Lotterywest board and the consideration determination of individual grants is then made by the board, and it then it goes to the Premier for approval. The Premier has only not agreed to one grant, and that was when the Royal Show was cancelled as a result of COVID-19. I hope that clarifies it for the honourable member.

Hon PETER COLLIER: Thank you for that, Ms Hunt; I appreciate that.

I have a copy of the tabled paper. It does not say anything about same-sex marriage at all, or even allude to it, so I just ask again: have any grants in the last 12 months in the reporting period been rejected as a result of their attitudes to same-sex marriage?

Ms HUNT: If I could say that each grant application is considered on its merits and goes through a risk-assessment process. My understanding is that there could be a whole lot of reasons why grants are not successful: whether it is a good fit with the Lotterywest brand, whether there is a need in the community for that application to proceed or whether or not the grant is actually withdrawn by the applicant after discussion with our grants officers. I cannot answer that in terms of I am not aware of that being the case. This one falls outside the reporting period to which you refer. Up to 30 June, I am not aware of any.

Hon PETER COLLIER: There was one, and that was Margaret Court Community Outreach, which was, as the minister has said, outside the reporting period, which seems extraordinary. That was rejected specifically and entirely because of the organisation's founder's attitudes on gay and lesbian issues and marriage equality. That is specific because the Premier stated that to the chamber of this place, unless he was misleading the house. According to your letter, Ms Hunt, to Reverend Court, it was unanimous. I hope that is the case that the board decision was unanimous, and I can take that as being the case.

Having said that, we will move on. I had a look through the grants that were approved over the last three years and there are a number of organisations there that have very strong views on same-sex marriage that were provided with grants.

Hon SUE ELLERY: Are you referring to a particular document, honourable member?

[5.10 pm]

Hon PETER COLLIER: Yes; grants approved by WA community. It is on the Lotterywest website. You can see that a number of organisations have identical views on same-sex marriage to the Margaret Court Foundation. I am not going to ask about the Margaret Court Foundation. In this instance her proposal was rejected specifically because of the founder's attitudes to same-sex marriage. My question is quite clear. A number of organisations have exactly the same view on same-sex marriage, so why did they get their applications approved?

Hon SUE ELLERY: Honourable member, Ms Hunt can provide you with some information about that.

Hon PETER COLLIER: Okay, good.

Ms HUNT: I would respond that the concern being raised by the Lotterywest board was the public statements made by the organisation's founder on gay and lesbian issues more broadly, as well as same-sex marriage, which is a legal institution. It was the harm—I think this is on the public record—that it causes to what is a significant proportion of our community. On the basis of that, the board has been concerned, and was concerned, and expressed that concern by seeing that there would be harm to the community for that grant proceeding.

Hon PETER COLLIER: How often does the CEO bring grant proposers, people who put a proposal, into the office to explain why they did not get a grant? Is it a frequent occurrence?

Hon SUE ELLERY: I will get Ms Hunt to provide you with an answer in a moment, but I certainly know from my own experience, honourable member, that Lotterywest works with organisations to assist and prepare their grants, and then engages them. I know of organisations in my 20 years as an MP that I have helped, and they have reflected on the level of engagement before, during and after the development of an application.

Hon PETER COLLIER: I might add that the Premier told these people to apply for the grant. They were advised to apply for the grant by the Premier and then they had it rejected.

Hon SUE ELLERY: That may well be the case. I will ask Ms Hunt to address the issue that you raised.

Ms HUNT: Thank you for the query. We do often bring in grants applicants who are not successful to tell them that. In this case, because of the eminence of Mrs Court—she is a very significant Australian—I felt that it was an important respect to this organisation that I actually gave them the explanation. On a personal level, the board did ask me to give feedback, because it is something important to the board around the commitment to diversity for the Western Australian community. We do often bring them in and there is often a situation where this occurs.

Hon PETER COLLIER: Can you please tell me whether there have been any proposed changes to the Lotterywest grant-making policies this year, particularly to fall in line with the “Our commitment” framework?

Hon SUE ELLERY: I will ask Ms Hunt to make some comments on that. You would obviously be aware, honourable member—you were part of the series of decisions made about COVID and how Lotterywest would deal with grants during COVID —

Hon PETER COLLIER: No, this is not about grants.

Hon SUE ELLERY: I know. I am just establishing that you are asking for something separate to that.

Hon PETER COLLIER: Yes. Have there been any proposed changes to the grant-making policies?

Ms HUNT: This is not historical, but at the moment we are doing a review of the COVID-19 Relief Fund, and I would hope that some of your constituents have been surveyed and talked to by the consultant helping us with that work to see how we can best respond to the community needs in what we hope is the recovery from the COVID-19 period, but there is no change in the policy, unless I ask my general manager of grants, Lorna Pritchard, to clarify.

Hon PETER COLLIER: I can be more specific, if you want. Just with regard to policy updates for equality, diversity and inclusion—a change to a policy framework to ensure that it was more aligned to the “Our commitment” framework from Lotterywest.

Ms HUNT: No. We do have some guidelines, honourable member, that encourage acknowledging country and to use sustainable practices, but not in that area.

Hon PETER COLLIER: So there was not a memo provided by the acting general manager of grants and community development and the director of health promotion at Healthway that did exactly that—that is, to look at updating the policy framework for equality, diversity and inclusion to ensure that we suggest a Lotterywest stop date, for example. According to my notes —

As a matter of policy, rather than eligibility, Lotterywest does not support religious organisations for their faith or spiritual activities. Grants only support the welfare and community service activities of faith-based groups that meet the principles of equality, diversity and inclusion in line with government policies, practices and anti-discrimination legislation.

Are you not aware of that document?

Hon SUE ELLERY: I just want to check. You are referring to a document. Can we get a copy of the document that you are referring to?

Hon PETER COLLIER: No, I have not got the document here. I have written it out. I have been told about this.

The CHAIR: Honourable member, I think it is appropriate that you identify where the quote is coming from.

Hon PETER COLLIER: I have been told that this is the changes that have been made. I just want to know whether it is true or not.

Ms HUNT: Honourable member, I will say that we already have a position on funding to religious organisations, our faith-based groups, and we do fund a lot of faith-based organisations, and we can table a document that reflects that. We do not fund religious activities, but we do fund faith-based organisations that are doing a community service—for example, St Vincent De Paul, St Vinnies. The board has just approved, as they do regularly, emergency care relief in some millions of dollars to that organisation, similarly to St Bart's and St Patrick's. There are a whole lot of faith-based organisations of which Lotterywest is a major funder and supporter of funds to the community.

Hon PETER COLLIER: So in your strategic plan, "Our commitment", there have not been any proposed changes to that document over this year. Is that correct—proposed changes? I want you to think about this carefully. Have there been any proposed changes to that document over this last year—the last six months or so?

Ms HUNT: I would say that we were keen to look at integrity in particular as an aspect. The board has determined that we will be doing a midyear touch-base review of our strategic plan next year.

Hon SUE ELLERY: I wonder, honourable member, whether you can assist us so that we can specifically answer your question. If you can read again, and if there was a date, that might trigger something, but so far I am not hearing Ms Hunt say that there have been any proposed changes.

Hon PETER COLLIER: I have been told that around 14 October 2020 there was a policy update to equality, diversity and inclusion, and it is specific to exactly that. In fact, those changes were not accepted because of the issues that arose out of the Victory Life situation or, dare I say it, put on hold for 12 months.

Ms HUNT: Yes, you have jogged my memory now that you have mentioned the date. We did look at bringing forward the review because there was some lack of clarity about this issue. We wanted to be really clear about that. But integrity was a major driver here, because we did not have reference to integrity also in our strategic plan.

Hon PETER COLLIER: Can I get a copy of that document?

Hon SUE ELLERY: Which document are you asking for?

Hon PETER COLLIER: The one that Ms Hunt has just referred to.

Hon SUE ELLERY: The one that you referred to?

Hon PETER COLLIER: Yes, and Ms Hunt has confirmed it exists. I have not got the document; I just want to know. Ms Hunt said it exists, so I want a copy of it.

Hon SUE ELLERY: Ms Hunt is telling me that that is a board paper, so I would be quite concerned actually if that is what —

Hon PETER COLLIER: It is not a board paper apparently; it is a memo.

Hon SUE ELLERY: You have the document and we do not.

Hon PETER COLLIER: I do not have a document.

Hon SUE ELLERY: Okay, honourable member; you were quoting from something. Ms Hunt is advising me that it is material before the board and so —

Hon PETER COLLIER: She did not say that.

Hon SUE ELLERY: You are very confident about a document that you do not have, I will just say that. I will take it as supplementary. If the document you are referring to is a board paper, it will not be released, but I will take the question as a supplementary.

Hon PETER COLLIER: I would be very keen to get it.

The CHAIR: Honourable member, can I just assign a number to that.

[Supplementary Information No E1.]

[5.20 pm]

Hon PETER COLLIER: With regard to the Equal Opportunity Act and any decision that is made by the board, does Lotterywest have a legal team that seeks advice from?

Hon SUE ELLERY: I do not know that we can answer questions about the Equal Opportunity Act in a session about the budget papers as they relate to the Lotteries Commission and the annual report. If are you asking about the staffing structure I can ask —

Hon PETER COLLIER: Let me rephrase it to make it simple. Does Lotterywest seek legal advice on anything?

Ms HUNT: Yes. Lotterywest does seek legal advice.

Hon PETER COLLIER: Does Lotterywest seek legal advice on equal opportunity issues?

Ms HUNT: As matters may arise, that would be an issue that we would seek advice about.

Hon PETER COLLIER: For instance, like, if an organisation were to have an issue on same-sex marriage, would you seek legal advice?

The CHAIR: Honourable member, is that a hypothetical question?

Hon PETER COLLIER: I will have a look at some of these issues perhaps. For example, the Centrepont Church Incorporated, the Church of Christ Kalgoorlie, they have very rigid views on same-sex marriage. If they were to apply for a grant, would you seek legal advice on that?

Hon SUE ELLERY: Honourable member, are you asking a hypothetical: if organisation X was to apply, would you seek legal advice? I do not see how that is related to the budget papers or to the annual report.

Hon PETER COLLIER: I tell you—WA Inc.

Hon SUE ELLERY: Pardon me!

Hon PETER COLLIER: I said it is like WA Inc, this is. It really is. You are a disgrace!

Hon SUE ELLERY: That is not very helpful language.

Hon PETER COLLIER: Oh, give me a break!

Hon SUE ELLERY: The purpose that we are here for, that we were called for, is to assist the committee with matters relating to appropriations as they are set out in the budget or matters —

Hon PETER COLLIER: In Lotterywest.

Hon SUE ELLERY: Honourable member—or matters that occur and were reported on in the annual report over the reporting period. I am happy to assist the committee in any of those matters.

Hon PETER COLLIER: If you would just let Lotterywest speak, we would be fine. They are fine to answer the questions.

The CHAIR: Honourable member, there comes a point when behaviour may be perceived as badgering. Do you have another question for the minister?

Hon PETER COLLIER: Yes, I do. Thank you.

Has Lotterywest received any training from the Equal Opportunity Commission over the last three years?

Hon SUE ELLERY: If you can take me to a section of the annual report, honourable member, that refers to that, I would be happy —

Hon PETER COLLIER: So you are not going to answer that?

Hon SUE ELLERY: Honourable member, I am doing my best to assist the committee with what I was asked to do.

Hon PETER COLLIER: I can tell you anyway because —

Hon SUE ELLERY: Honourable member, I am answering —

Hon PETER COLLIER: Excuse me! I am asking a question.

Hon SUE ELLERY: No, I was answering and you interrupted me twice. The purpose of us being here is to assist the committee with matters that go to the appropriations set out in the budget papers or matters that are canvassed in the annual report. I am happy to assist the committee to do that.

Hon PETER COLLIER: Can I say to you minister: you have been here longer than I have. If you honestly think —

The CHAIR: Thank you, honourable member. Is it a question?

Hon PETER COLLIER: Yes, it is. I am answering. I am doing the responding. If you honestly think that is how we have treated estimates in this place, you are not being honest with yourself.

The CHAIR: Thanks, honourable member.

Hon PETER COLLIER: My final question then is —

The CHAIR: I am sorry, member, you are out of time. Hon Diane Evers.

Hon PETER COLLIER: God, you guys are just a disgrace—absolute disgrace!

The CHAIR: Honourable member, I gave you a three-minute warning four minutes ago. If you have concerns about the timing of these sets of hearings, then please be clear about them. You have received the most significant amount of time from all of the participants who wish to contribute. I have now called, and I have not made a final call on you, either —

Hon PETER COLLIER: As if!

The CHAIR: Honourable member, if you want some more time for questions, that is not the right way to go about it. If there is more time for questions, you know, and I told you directly, that I would come back to you. However, other members have questions. Quite frankly, your behaviour is not leaving me open to coming back to you to ask more questions.

Hon PETER COLLIER: Do not worry. I will not ask any more questions.

The CHAIR: Hon Diane Evers.

Hon DIANE EVERS: Thank you, Chair. First of all, I would like to say my appreciation for Lotterywest. In my previous employment, I was one of the recipients for an organisation down in Albany, and a lot of us are very pleased with the way that Lotterywest operates. It is a really good organisation. I would also like to say that on page 581 of the budget, the third dot point in the recovery plan, there have been a lot of good steps taken. Relaxing the terminal fees was a really good step as well, so that people were able to operate as well as possible and keep things going through COVID. With

the COVID grants, however, I understand \$159 million was immediately allocated to go there. I was wondering, of that \$159 million, has it all been allocated?

Hon SUE ELLERY: I will ask Ms Hunt to provide an answer to that.

Ms HUNT: Thank you very much for the question. I will just get to the right page. We have figures at the end of the financial year, but also year to date, which are here. The COVID-19 grant response was established in March 2020 with \$159 million. I will give you a bit of a background. Fifteen million was from the Lotterywest direct grant program for that year to date; \$35 million was from our reserve funding; \$4 million from the Department of Local Government, Sport and Cultural Industries, which came in to partner with us as it particularly related to the arts sector; and also the board committed \$105 million of future Lotterywest profits. The balance remaining from the funding—so in 2020–21, we have \$106 million still to fund. I will ask Mr Hubble to clarify whether I am looking at the right sign.

Hon SUE ELLERY: Mr Hubble.

Mr HUBBLE: The question I think was how much has been spent and how much is left.

Hon DIANE EVERS: How much has been allocated to groups and how much has been paid out.

Mr HUBBLE: Of the \$159 million, to date, \$70.5 million has been paid out and \$121.5 million is yet to be awarded.

Hon DIANE EVERS: Normally—I notice through the year from your annual report—you had paid out a total of \$292 million, was it, had been granted? That includes the first part of the year as well. That is page 73 of the annual report. In the normal course of Lotterywest going through these grants, you are able to do \$300 million. Why has there been that lag in terms of getting these grants allocated and paid?

Hon SUE ELLERY: I will ask Mr Hubble to answer.

Mr HUBBLE: Of the \$300 million-odd profit for the year, about half goes by way of a statutory allocation to government departments, and that is paid at the end of the year. The COVID money was set aside. That fund was created in April, which was pretty late in the financial year. It comprised two elements: a sum for the last three months—April, May and June—and then a commitment for the year beyond. The team, in my view, did an excellent job in getting \$35 million out the door from creating the fund, creating the grant program, advertising, assessing and approving. To do all that by 30 June was quite an achievement.

Hon DIANE EVERS: Did I hear you say that about half of the funding usually just goes to government departments as statutory amounts at the end of the year; is that correct?

Mr HUBBLE: That is correct. That is under our act.

Hon DIANE EVERS: Which departments would be the ones that receive that sort of funding—just two or three of them?

Mr HUBBLE: Under the merged entities, there are only two. Health gets 80 per cent of that money and the Department of Local Government, Sport and Cultural Industries gets the balance.

Hon DIANE EVERS: The next thing is that because the money was tied to COVID-related things, I understand that there are a lot of community groups, whatever, that would normally be applying and be the recipients of Lotterywest funding. Is there still a method for them to apply so it is not just everything being COVID—are the normal things still are happening?

Hon SUE ELLERY: I will ask Ms Hunt to answer that.

Ms HUNT: This is a really good example of where we have worked very closely with the community to explain the urgency of COVID-19 and how the grant funding has to respond to the urgent COVID requirement. What we have seen in the reviews that we have done to date of the COVID-19 fund and the three programs we have set up underneath the funding—the large amount which was in sector support for resilient organisations, crisis and emergency relief, and building communities, we are looking to be as flexible as possible.

In Western Australia, where community transmission has not been around for some months, what does that recovery look like? We are being as responsive as we possibly can around that. There are some applicants who have decided not to apply. We are hoping very much that in the review we are doing at the moment, which will be going to our board in December, we will be able to talk about what next year's funding will look like in the context of what is happening with COVID-19. I hope that answers your query.

[5.30 pm]

Hon DIANE EVERS: Okay. Lotterywest had been, as far as I know, you could apply at any time and just keep applications; you do not wait for another round to happen or anything like that.

Ms HUNT: If I could clarify, under COVID-19, because of the urgency of the situation, we did, in two of the areas, have grant rounds so that we could get the money out very quickly. We did look to partners to assist us with some of the assessments. For example, in the arts area, where artists were really suffering as a result of COVID-19, we worked very closely with the department and we have now a \$5 million artist-in-residence program that is rolling out right now, which actually targets that. Similarly, in the sports area, Lotterywest had not funded sports under our act, except in the statutory grant. This allowed us, with the amendments which Parliament agreed, that we could put \$5 million into a Back to Sport program. We have been as flexible as we can, but there have been grant rounds introduced as a result.

Hon DIANE EVERS: You introduced the grant rounds, and I think you said there were two. You still have one hundred and something million dollars left to distribute. When was the last grant round opened and when is the next round opening?

Ms HUNT: I will ask, through the minister, if Mrs Pritchard could respond to the specifics of that.

Mrs PRITCHARD: Yes, the grant round, we have recently just had one open and close for the third stream of our program, and then we will have another one in February. Otherwise, everything else is open as it has been in the past in terms of supporting the most vulnerable. That is open at any time, as you are familiar with. The other grant program, the second program, is through expression of interest and then an invitation to apply.

Hon DIANE EVERS: The round that just opened and closed, what was that particularly aimed at? Was that just a third round for COVID funding?

Mrs PRITCHARD: That was part of our COVID program where we had a grant round specifically for strengthening and adapting organisations. We ran that as a grant round.

Hon DIANE EVERS: And the sport funding that you were just talking about, when will that be distributed?

Ms HUNT: The Back to Sport program is actually being administered in an agreement and an MOU with the Department of Local Government, Sport and Cultural Industries, given they have expertise in that area, though our board was the decision-maker along with the Minister for Sport, given it was a cooperative approach.

Hon DIANE EVERS: But they will be opening that up for some sort of distribution at some point in the future?

Ms HUNT: Yes; I think it is already open. I think there have been, honourable member, quite a few. I think we have already received—24 000 families will be eligible. We are really looking forward to hearing the outcomes.

Hon DIANE EVERS: During this time, since March, you have said you have tried to be flexible. Has there been much funding distributed to people or groups that are not COVID-related? Is it just those few? You say you are trying to be flexible. Can you extend out what that actually means?

Ms HUNT: We really do honestly look at each application on its merit. The link to COVID, as I said, can be complex for some groups. For example, we are looking at an application that might come for a Christmas lunch in the park for disadvantaged people. They may do that every year, but it still is a part of the recovery of community going back to normalcy. That is the sort of situation where the board has struggled at times, but they have now come to the point of doing the review. This is an important community recovery process. I think the board is also looking to support as much as possible recovery as broadly as possible.

Hon DIANE EVERS: My final question is just along the lines: \$159 million, or whatever that final amount was, was put to COVID recovery. We are in a situation now where we really do not know what the future holds, but what have you planned for the future? Do you see yourselves saying, “We’ll finish that \$159 million and then go back to how we were doing it”, or has it changed the way Lotterywest operates now in terms of what you will be looking at?

Ms HUNT: It is a really good question. We want very much to respond to what the community needs and the indicators for the community and where we are seeing vulnerable communities. It is certainly a strong focus of Lotterywest historically, and continuing with vulnerable communities is our focus. Our mission statement is “building a better Western Australia together”. It is very, very broad and the board is being as flexible as possible in trying to interpret that into inclusive communities—this is where our framework comes into place, which we mentioned earlier—building culture, and healthy communities. It comes into those five framework areas. I am not sure if that answers your question.

Hon DIANE EVERS: No; that does help. I just want to clarify what was said about the statutory obligations to fund. Was it Health and the department of local government —

Hon SUE ELLERY: Arts and culture.

Hon DIANE EVERS: That was one of them. That was a smaller amount.

Hon SUE ELLERY: I will ask Mr Hubble.

Mr HUBBLE: Health is the main one. Health gets 80 per cent of that money.

Hon DIANE EVERS: Eighty per cent of —

Mr HUBBLE: Of that 50 per cent. We said half our money. Let us say roughly \$150 million.

Hon DIANE EVERS: It was \$290 million, I think, last year.

Mr HUBBLE: Okay, \$298 million; so half of that.

Hon DIANE EVERS: So \$150 million?

Mr HUBBLE: Eighty per cent of that goes to Health and 20 per cent goes to the Department of Local Government, Sport and Cultural Industries.

Ms HUNT: Which, just to clarify, is around \$17 million each for the last financial year. That is based on sales, so it fluctuates year to year. That is around \$17 million.

Hon DIANE EVERS: And that was for?

Ms HUNT: For arts and for sports, as part of the act.

Hon DIANE EVERS: I see. Arts and sports under the department of local government. That makes sense.

Hon AARON STONEHOUSE: I have some questions around the criteria for grants, which I am sure the CEO, Ms Hunt, can answer for me. I have here a list of organisations that were refused grants; however, I am not told the basis for that refusal. I understand in a previous question you said that there may be any number of reasons, maybe multiple reasons, for a grant being refused. Can you tell me, however, has an organisation's views on LGBT matters, on same-sex marriage, at least been a factor in any of these refusals for this list of associations I have here?

Hon SUE ELLERY: Chair, we are back where we started. The CEO advised the general criteria and made the point that for any application that has not been successful, there may be a combination of reasons. I am not sure that it is going to be possible for us to take that matter much beyond that, honourable member.

Hon AARON STONEHOUSE: I am trying to make it as easy and simple as possible. I understand that there could be any number of reasons, there might be compounding reasons, but has an organisation's views on same-sex marriage ever been at least one of the factors? You do not need to tell me which organisation it is. I understand we want to respect their privacy, but have any of the organisations in this tabled paper that was provided to the Legislative Council—has their view on same-sex marriage ever been a factor in the refusal for a grant?

Hon SUE ELLERY: There was a question already asked in the house about this. The answer was the same that I just gave you then, honourable member.

Hon AARON STONEHOUSE: That is all right; we can move on from there then. I understand there are board decisions and then there is obviously the agency Lotterywest. Does Lotterywest provide research and intelligence to the board for the board to make its determinations on grant applications?

Hon SUE ELLERY: You could probably take that question under the kind of structure that would be set out in the annual report. The board operates in the same way that all sorts of boards operate in non-government and statutory organisations, and that is that advice is prepared for the board and the board then makes its decision.

[5.40 pm]

Hon AARON STONEHOUSE: That is reasonable. I suspected as such. Does Lotterywest conduct due diligence for every organisation that applies for a grant? Specifically, what I want to know is: the views of the founder of an organisation that has applied for a grant have been the basis for a refusal in the case of Margaret Court and her church, Victory Life services? Does Lotterywest conduct research and do due diligence for the views of the founders of every association that applies for a grant? For instance, the Furqan Islamic Association of Western Australia is a grant recipient. Are the views of the founder of the Furqan Islamic Association—not to single them out, but I would suspect that the founder, whoever he or she may have been, may have had rather traditional views on same-sex marriage. Does Lotterywest conduct due diligence on every association and its founders' views when preparing advice for the board?

Hon SUE ELLERY: A question has already been asked and answered in the house, which says that the criteria that is applied to the application goes to eligibility and governance. In terms of research and due diligence about the organisations, yes, governance arrangements are examined. There may be a range of other matters that are examined in that process set out in the criteria of the answer that has already been given to the house. I think it would depend on the circumstances. I think that was the point that was made by Ms Hunt here today and in answers that have been provided earlier.

We go back to where we began, which is that I am happy to assist the committee in anything related to the appropriations set out in the budget papers and the information set out in the annual report.

Hon AARON STONEHOUSE: Of course, and I think this all falls well within the scope of the financial operations of the agency and is relevant to the budget papers and the actuals achieved in terms of key performance indicators and the total appropriation of the agency. I would like to stay on this track.

In a previous answer to a question, Ms Hunt, you said that there was a concern about the harm that would be caused to the LGBT community if a grant was issued to Victory Life services. I wonder, is the potential harm to particular groups or particular demographics weighed up with every grant application? The reason why I wonder that is because Lotterywest is a major sponsor of Fringe World Festival. There are certainly some interesting acts at Fringe World. There is an entire category for cabaret and variety, where some of the acts are certainly explicit, some might even say pornographic. I am no critic of art, but I find it quite interesting indeed that, on the one hand, Lotterywest and the board are happy to fund quite explicit content at Fringe World—if they want to do that, that is fine; it is not for everybody, but that is okay—but, on the other hand, refuse a grant to an organisation because its founders, not even necessarily the applicant, but its founder, has a view on same-sex marriage that is in line with about one-third of the population that prescribe to a traditional Christian view of marriage. Are these harms assessed for every applicant or is it only because of the prominence of this one individual and that their views were already perhaps known to the board and to Lotterywest that Victory Life church has been singled out in that instance?

Hon SUE ELLERY: Honourable member, the answer has already been given to the house about the criteria that is applied to grants and that includes, to use your term, harm or otherwise. The member is quite right when he says art is in the eye of the beholder, if I can use a mixed metaphor there. There is a range of criteria. I will go through them again, which goes to eligibility. As per the act, Lotterywest undertakes the following process in the assessment of grant proposals —

- Check eligibility criteria and governance
- Seek additional information and clarification from the applicant where required
- Referee reports
- Assessment of proposal
- Risk assessment

That is applied to every application, and then —

- Consideration and determination of the Lotterywest Board
- Approval by Premier.

Hon AARON STONEHOUSE: Victory Life services has been the recipient of grants in the past, as I understand. It is only recently that they have had a grant—they have not, no?

Hon SUE ELLERY: Honourable member, I am happy to provide information to the committee about the process but I am not going to go back into the details of one application, a decision about which was made outside the reporting period.

Hon AARON STONEHOUSE: I am not trying to question the motive or logic of the board. Obviously, the board is not here as a witness, unfortunately. I would love to have the board sitting opposite so we can grill them on what their thinking was when they made that decision. I am not trying to do that. This is my final question, Madam Chair.

The CHAIR: Good, because you have one minute left.

Hon AARON STONEHOUSE: All I am trying to establish is organisations, associations, have been given grants in the past that had exactly the same views on same-sex marriage as Mrs Margaret Court does. That has happened in the past. This decision made clearly sets a precedent going forward. What I want to know is: Every applicant who shares the views of Mrs Court, should they be on notice? Should they understand that if they have traditional views on same-sex marriage, they should not be applying for grants from Lotterywest? Are they going to get the same treatment that Mrs Court has got from Lotterywest and from the board if they put in grant applications? Is this the standard that is set now that we can expect to see going forward?

Hon SUE ELLERY: Every application is judged on its merits according to the criteria that I just read out to the committee, which has been provided to the house in the past.

Hon AARON STONEHOUSE: I will take that as a yes.

Hon SUE ELLERY: You take it as you choose, honourable member. That is not the answer that I gave.

Hon COLIN TINCKNELL: Minister, on page 9 of the annual report, the chair's foreword talks about continuing to place prime importance on preventing gambling harms. Is prevention of gambling harm part of your legislative mandate?

Hon SUE ELLERY: I will get the CEO to make some comments about that in a moment. I will make the point that there is a constant balance to be achieved by Lotterywest because, by its very nature, the products that it sells are gambling products.

Hon COLIN TINCKNELL: I understand that, but there is a responsible way of doing it.

Hon SUE ELLERY: Of course there is, honourable member, and I will get the CEO to talk about that in a minute. I am just making the point that there is a kind of inbuilt tension in this because the products that the organisation sell are actually gambling products. I will get the CEO to talk through the steps they take with respect to managing harm.

Hon COLIN TINCKNELL: I want you to know that I am not anti-gambling; I am anti-predatory behaviour.

Hon SUE ELLERY: I understand.

Hon COLIN TINCKNELL: Is it a part of the legislative mandate?

Ms HUNT: I do not think it is part of the legislative mandate, but it is a corporate social responsibility, which, as you rightly note, is in the annual report. We have a very strong commitment to causing as least harm as possible. Just this last six months, we have received the highest responsible gambling accreditation from the World Lottery Association. We take it very seriously. We have also recently commissioned some research looking at the impact of our lottery on any harm. We do support, as part of the responsible gambling cross-government committee, counselling for those who have been displaying harm as a result of gambling. Lottery is a very small proportion of those who exhibit

gambling as an ongoing problem; I think it is 0.1 per cent. We are very committed to this and we are continuing to maintaining the highest possible standards.

I also note that we have a limit on the spend that you can purchase online as a result of our commitment to make sure that people do not go over their spend. They can self-exclude and can access counselling as a result.

[5.50 pm]

Hon COLIN TINCKNELL: Have you developed a set of KPIs to make sure that your performance is good or bad?

Hon SUE ELLERY: KPIs in relation to harm, honourable member?

Hon COLIN TINCKNELL: Yes, harm gambling.

Mr GEROTHANASIS: We are actually in the process of finalising a set of KPIs following our accreditation from WLA and we expect to be submitting them to the board this financial year.

Hon COLIN TINCKNELL: Thank you for that. Also, page 19 in the annual report refers to size and frequency of prize jackpots. Lotterywest is heavily dependent on that. This is obviously an issue for me because I see some predatory behaviour taking place. I will give an example of what I am talking about. Certain lottos are going down. I think Saturday lotto is going down in numbers and midweek lotto is sort of going up. They say part of the reason for that is that the jackpots are getting bigger and bigger as someone does not win. You can go three, four or five weeks and the jackpot is getting bigger. I have figures of the revenue that gets taken in those examples and you can see the amount of revenue growing immensely on each jackpot. It is hard for us to know, unless you are really checking this out, whether it is all brand-new people joining in on the jackpot or they are the same gambler having five or six goes at the same jackpot. Gambling is a problem in our society, and I see that. I know you depend on it.

Hon SUE ELLERY: Is that what you classify as predatory behaviour—the jackpots?

Hon COLIN TINCKNELL: When it is getting close to that behaviour, yes.

Hon SUE ELLERY: Do they not just happen?

Hon COLIN TINCKNELL: The minister mentioned undertaking responsible gambling research to improve understanding of potential problematic player behaviour associated with lotto games. Has that research been completed?

Mr GEROTHANASIS: We did start some research pre-COVID on investigating that behaviour. We had to arrest it during COVID but we continued with an independent researcher. I think essentially our approach is contrary to predatory behaviour. That is why all our games are weekly games. We have very few daily games; that is the first point. The second thing is if you look at our average spend, we generally try to have it at a very reasonable level—\$25 or less. These days, we are approaching online gaming, which is less than \$500. The other thing is jackpots are also something that is driven by the customer, so essentially Lotterywest and the rest of the Australian lotto block responds to customer demand in these particular cases.

Hon COLIN TINCKNELL: Yes, gambling is a drug. I understand the customer demand. We have made a decision previously, and we have had the other members talk about that. Part of the reason that decision was made was because they believed it was damaging to a certain group of people in the community. I am pointing out maybe a double standard here. I am looking at another certain group in the community, and Lotterywest, probably because of this attitude towards what I have mentioned here—size and frequency of prize jackpots—is heavily dependent on that. I see that as

an issue. To me, it is a slight double standard, when we are looking at certain people in the community that it could do damage to.

Hon SUE ELLERY: I take the point you make, honourable member. As I said at the outset of my response to your comments, it is an internal tension. It is an organisation that sells a gambling product, so there is a constant tension that that product that they are selling could be causing harm, and I think it is appropriate that the organisation takes the steps that it does to try to minimise any harm that might be caused, but you are right to identify it as a significant social issue.

Hon MICHAEL MISCHIN: Before the minister tells me that we need to focus on the budget papers and the annual report, I appreciate that, but I am also interested in what the annual report does not say. It says what great things Lotterywest is doing. My concern is about governance in a couple of areas. We have heard mention that grants are assessed on their merits. Of course, that can be fairly subjective, depending on what members of the board and what recommendations are put up to the board as to what projects ought to be approved and why. As I understand it, just taking the Victory Life example of governance, that does not appear to have been rejected on the basis of merit. Would that be correct?

Hon SUE ELLERY: No, that would not be correct, honourable member. As I have said before, not just in today's session but in previous answers in the house, a set of criteria is applied and —

Hon MICHAEL MISCHIN: That is what the Premier said.

Hon SUE ELLERY: I am trying to provide you with an answer, honourable member.

A set of criteria is applied. That criteria includes, for example, measuring risk. You are quite right, in a sense, that how I measure that might be different from how you measure it.

Hon MICHAEL MISCHIN: Or the Premier.

Hon SUE ELLERY: The Premier did not make the decision; the board did.

Hon PETER COLLIER: The Premier can answer this question.

Hon SUE ELLERY: Madam Chair, it is limited time. I am trying to provide the answer.

The CHAIR: Members, I will actually remind you of standing order 30(1)(e), which is regarding wilfully and persistently disregarding the rulings of the Chair. I have asked for members to respectfully listen to the answer.

Hon SUE ELLERY: The proposition that Hon Michael Mischin is putting I reject. The criteria were applied and you might have a particular point of view about how a judgement was reached about what constituted risk. You might have a point of view that in this case that was not appropriate, but that is the decision that the board has taken when applying the same criteria to that application as to all others.

Hon MICHAEL MISCHIN: All right. Dealing with the process, is it the case that the CEO puts up these applications and gives a recommendation to the board, or does the board consider each one of them blind?

Hon SUE ELLERY: Honourable member, I answered that question about 15 —

Hon MICHAEL MISCHIN: Well, answer it again and save time.

Hon SUE ELLERY: Chair, I am doing my best to politely answer questions.

The CHAIR: I noticed that, minister. Could you please answer the question? We have four minutes left.

Hon MICHAEL MISCHIN: I am trying to get an answer.

The CHAIR: Honourable member!

Hon SUE ELLERY: I have already answered that question.

Hon MICHAEL MISCHIN: All right. Are there criteria that are put up to the board that are not in the act, not specified in the annual report, that deal with grant-making eligibility and how those are to be assessed, specifically in relation to faith-based organisations?

Hon SUE ELLERY: So the question is: is there a separate set of criteria applied to faith-based organisations? Do I understand that?

Hon MICHAEL MISCHIN: Is there a set of policies or the like that are used by the board as a touchstone for their decision-making on merit or risk assessment?

Hon SUE ELLERY: Separate to those that I have already identified—is that what you are asking about?

Hon MICHAEL MISCHIN: You have not identified any, but move on.

Hon SUE ELLERY: No.

Hon MICHAEL MISCHIN: No. So is there anything regarding eligibility that says something like that as a matter of policy rather than eligibility, Lotterywest does not support religious organisations for their faith-based or spiritual activities and grants will only support the welfare and community service activities of faith-based groups?

Hon SUE ELLERY: Honourable member, the CEO has already answered that question and said yes.

Hon MICHAEL MISCHIN: Was it the proposal to add to that words to the effect of “which meet the principles of equality, diversity and inclusion in line with government policies, practices and antidiscrimination legislation”?

Hon SUE ELLERY: Honourable member, I think that was part of the question that was asked before by Hon Peter Collier when referring to a document. I have already answered that question —

Hon MICHAEL MISCHIN: I would like to have the CEO answer the question, please.

Hon SUE ELLERY: There is nothing new about questions in estimates going through the minister—nothing new. I provide the answers and when I need assistance from officers, I seek it. There is nothing new about that, and that is what I am doing.

Hon MICHAEL MISCHIN: Okay, so you are saying that there has been no plan by Lotterywest within the organisation to add those additional qualifications?

Hon SUE ELLERY: I am saying you are putting the same proposition that was put by Hon Peter Collier about 45 minutes ago and —

Hon MICHAEL MISCHIN: Is the answer yes or not?

Hon SUE ELLERY: Honourable member, if you let me finish what I am saying instead of constantly interrupting me, I will give you the answer. It is the same answer I gave about 45 minutes ago when the question was asked by Hon Peter Collier.

Hon MICHAEL MISCHIN: What was that, minister, since we have to do this the hard way?

Hon SUE ELLERY: I have already answered the question, honourable member.

Hon MICHAEL MISCHIN: You did not, but nevertheless. Are there any public lists of Lotterywest values that are accessible that we can use as a touchstone for what Lotterywest will and will not do?

Hon SUE ELLERY: There is a material that is available to you in the annual report, which goes to the kind of work that the agency does and the values it applies to that work, so I invite you to examine that.

The CHAIR: Member, this is your last question.

Hon MICHAEL MISCHIN: All right; I will ask again: is there a list of values that Lotterywest has available to the public so that people know whether they are acting in accordance with those values or not? I ask that with reference to a contract that is to licensees of Lotterywest where there is a provision in that contract that refers, at clause 7, to responsibility of a retailer. Bearing in mind, a retailer is only dealing with selling lotto and Lotterywest stuff. They should not be told how to run their business. The retailer must meet the following essential obligations and failure to do so allows Lotterywest to terminate the agreement. One of them is not to do anything that brings Lotterywest or the government into disrepute. The other one is to actively promote Lotterywest and its values, its products and responsible gaming. Is there a list of values that is accessible so that people know when they are stepping beyond the bounds and might jeopardise their livelihood if they do not comply with them? Presumably, same-sex marriage is one of those values.

Hon SUE ELLERY: Honourable member, I draw your attention to two documents, one of which has already been tabled in the house, which is about grant making by community investment framework priority areas. The other document that might be of assistance to the honourable member is the strategic plan, and I draw your attention to that as well.

Hon MICHAEL MISCHIN: That does not actually help, minister.

The CHAIR: Thank you, honourable member. I did point out that that was your last question. Thank you, honourable member. You have actually had more time than one of the committee members, and this hearing was scheduled between 6.00 and 7.00 pm. Your colleague had double the amount of time, and I am now drawing this hearing to a close and will not countenance any more interjections under standing order 30(1)(e).

On behalf the committee, I thank you for your attendance today.

I remind members that due to time constraints, the electronic lodgement system will not be reopened for additional questions this year.

For witnesses, I advise that the committee will forward the transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript, as soon as possible after the hearing. Responses to questions on notice are due by 5.00 pm within 10 working days after receipt. Should you be unable to meet the due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met.

I ask that you promptly leave the chamber for COVID-19 cleaning between sessions. Once again, I thank you for your attendance.

Hearing concluded at 6.03 pm
