



Lotteries Amendment Bill
[B 21B – 2013]
Wednesday 6 November 2013

Objective & Background

1. The Committee is to receive a briefing from the Department of Trade and Industry on the amendments to the Lotteries Bill of 1997.
2. Primarily the bill:
 - creates a National Lotteries Commission,
 - affords the licensing of an Organ of State to conduct the National Lottery,
 - clarifies the functions of the Distributing Agency (DA), and
 - removes overlaps in the functions of the Minister and the National Lotteries Board.

Discussion Points

3. The bill proposes a cooling-off period for Commissioners and Board members, Sections 2G(2) and 3C(2), for 24 months after serving the Commission and Board respectively. What is the rationale for the similar cooling-off periods?

The Board functions are non-executive (governance) in nature whereas the Commission officials are frontline in administration and policy implementation. The abilities and propensity to exploit inside information for private benefit after leaving office for Commissioner or Board Member ought to be different. Did the Department consider a differentiated cooling-off period?

4. Section 2E(b) talks to issues of conflict of interest that disqualify a candidate from being appointed as a Commissioner. However, if a declaration is made in advance and to the satisfaction of the Minister, such an appointment can be made. At the same time Section 2F provides for Conflict and Declaration of Interest. What is the rationale for elevating Section 2E (b) out of Section 2F?
5. What are the circumstances that would motivate the Commission to initiate research on worthy good causes requiring funding or invite application for worthy good causes outside the normal grant issuing processes?
6. The biggest issue with the previous arrangement, from the beneficiaries perspective was turn-around/responsiveness in the decisions on either issuing grants or not:
 - The bill proposes DA committees to consider sector applications; how does this improve responsiveness especially with regards to concerns about the decision-



making capacity of such committees given their size (maximum 9 members) and budget they would be dealing with?

7. The Minister may appoint a person or organ of state to conduct the National Lottery for a period not exceeding 8 years. The basis for such an appointment would be to meet certain national imperatives such as:
 - national government policies or priorities,
 - infant industry protection,
 - for skills and technology transfer, and
 - to comply with legislative framework for the promotion of empowerment and transformation.

What is the correlation between the 8 years period and the ability of the organ of state running the national lottery addressing such national imperatives as listed above?

There is international evidence of national lotteries being successfully run by organs of state; was this ever a policy consideration for the Department? Was a cost/benefit analysis of such a policy option conducted?

8. Besides the issue of time/period in which the person or organ of state may run a National Lottery; what is the material difference and rationale for Sections 13A and 13B?

Recommendation

9. The Committee may consider the Bill.