

LOTTERYWEST RETAILER COMMISSIONS

1007. Mr W.J. JOHNSTON to the Minister for Small Business:

I refer to the network of Lotterywest agents in Western Australia.

- (1) How many Lotterywest agents have approached the minister or the Small Business Development Corporation, regarding an increase to retailer commissions?
- (2) Is the minister aware that the Lotterywest retailer commissions were last increased by the former Labor government?
- (3) Does the minister support an increase in Lotterywest retailer commissions?

Mr J.M. FRANCIS replied:

I thank the member for Cannington for the question.

- (1)–(3) I have not been approached and I do not think my office has been approached as yet by an awful lot of agents—perhaps one or two have raised it with me. We are essentially talking about newsagents that sell Lotterywest tickets. I understand the way the system works. As for the Small Business Commissioner, I would have to seek advice to answer that question for the member for Cannington. He is around today so I am sure it will not take too long to get the member an answer to that question. The way it works is that newsagents sell lottery tickets and are paid a commission that is part of their income from people who walk into a newsagent and buy a lotto ticket, whichever product it is that Lotterywest might be selling and whichever product it is that the consumer buys. Effectively, this is a bread-and-butter kind of product for many small businesses such as newsagents who sell anything. People go into the newsagent to buy a lottery ticket. There is not an awful lot of margin in it; in fact, they are almost cost neutral. But customers buy other things while they are there that have a higher profit margin such as magazines and stationery. The lottery ticket is effectively the drawcard into the newsagent. The future will be challenging because Lotterywest now allows people to purchase tickets online and that is commission that newsagents do not receive.

Mr M.P. Murray: And the government has lifted the threshold as well.

Mr J.M. FRANCIS: There is a threshold on how much an individual can gamble online per week using Lotterywest products. I have spoken in here before about issues such as the Totalisator Agency Board. As we move towards more people buying lottery tickets and gambling online with different products, it is something that Lotterywest will have to address. Lotterywest will put out a number of disincentives for people to buy a lottery ticket at newsagents and to do it online; we realise that. It is something that we will look at and about which I am very aware.