



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Protecting local newsagents
Date of request:	20 January 2015

Description of policy	
Enact laws that preserve the current agency protections, until such time as the parties reach agreement on new terms.	Continue to restrict outlets selling lottery products to newsagencies and other small businesses, and enact laws that preserve the current agency protections, until such time as the parties reach agreement on new terms (see Attachment 1).
What is the purpose or intention of the policy?	Maintain protections for small businesses.
Has the policy been publicly released yet?	

Your estimated costing of the policy ¹						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years ² \$'000
Impact on General Government Sector (GGS) net operating result ³	-	-	-	-	-	-
Impact on GGS capital expenditure ⁴	-	-	-	-	-	-
If different from above, impact on total State Sector net financial liabilities ⁵	-	-	-	-	-	-

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	Yes – announcement by Luke Foley on 20 January 2015.
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>The policy being costed would change the law to ensure the extension of the current moratorium on the removal of lottery ticket sales restrictions, which is legislated in the <i>Public Lotteries Act 1996</i> (Sch 2, Pt 4, Div. 3, cl 40) but due to expire 1 April 2015.</p> <p>The Minister will also be required by law to seek the input of lottery agents and their representative body, Newsagents Association of NSW and ACT (NANA), before any change is made to the rules governing lottery products or to commission rates.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
Are there associated savings, offsets or expenses? If yes, please provide details.	..

Administration of policy	
Intended date of implementation:	Upon formation of government.
Intended duration of policy:	This is a legal change only. Legislation will ensure that no compensation is payable to any party as a result of the new framework.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Government.
Are there any specific administrative arrangements for the policy that need to be taken into account?	Legislation would be enacted.
Are there transitional arrangements associated with policy implementation?	The moratorium will last until Tatts and the newsagents reach a deal.

Attachment 1 - Protecting local newsagents

When the former Labor Government sold the right to be the sole operator of public lotteries in NSW to Tatts Group (the private lottery operator) in 2010, it put protections in place to provide a period of certainty for the existing lottery agents – mostly the network of newsagencies across NSW that had built the lotteries brand over decades. The arrangement is due to end on March 31, 2015.

This Agency Protection Period, or moratorium, was intended to ensure the lottery agents were dealt with fairly by the new commercial operator and to provide a period for transition. Originally three years, the moratorium period was extended to five years.

During this time, the new operator was prevented from:

- introducing new types of lottery agent, such as the major supermarket chains;
- increasing the net number of agents by more than one hundred;
- collecting lottery monies from agents more than once a week; and
- imposing new financial burdens (such as store fit outs and signage) on agents.

To facilitate discussion of the new commercial arrangements to govern lotteries after the expiry of the moratorium, a framework was put in place through a legislated twice yearly 'industry forum'. The intention was that new commercial arrangements would be finalised well before the end of the moratorium.

The policy will continue the legislated twice yearly industry forum that facilitates discussion of new industry arrangements after the expiry of the moratorium, with the Agency Protection arrangement extended until a new agreement is reached between the parties through this process.