Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Plan for reform to gaming in New South Wales
Date of request:	16 March 2023

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	NSW Labor will have introduce a comprehensive gambling reform package, including: • introducing a mandatory 12-month cashless gaming trial in New South Wales, which will begin on 1 July 2023 • passing legislation to ban political parties from accepting financial donations from clubs who have gaming machines • reducing cash feed-in limits to $500 per machine for all new poker machines from 1 July 2023 (this will also be enforced for newer machines where the changes can be made rapidly, and Labor will then work to reduce feed-in limits in existing older machines where possible) • banning all external signage (e.g. "VIP Lounge") promoting gaming machines around pubs and clubs • reducing the gaming machine entitlement cap immediately to be in line with the existing number of entitlements in the state right now • also reducing the number of machines by moving to a simple 1 in 2 forfeitures for all future trades between clubs and pubs • introducing a Responsible Gaming Officer for venues with more than 20 poker machines • introducing third party exclusion and mandatory facial recognition to enhance self-exclusion and expand the register beyond the current limited self-exclusion program to include the whole of NSW.

	Labor will also invest in harm minimisation programs through a $100 million fund that develops measures and programs that reduce harm caused by problem gambling. The fund will be overseen by the independent panel. It will go towards: • Facilitating the mandatory trial; • Appropriate gaming machine reduction in consultation with the independent panel; • Harm minimisation programs, including an additional $10 million a year into the Responsible Gambling Fund; and • Implementing recommendations from the independent panel and the mandatory trial.
Has the policy been publicly released yet?	Yes: Gambling Reform - Chris Minns - NSW Labor Leader

Your estimated costing of the policy[1]						
	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 and later years[2] $'000	Total $'000
Impact on General Government Sector (GGS) net operating result[3]		100,000				100,000
Impact on GGS capital expenditure[4]						
If different from above, impact on total State Sector net financial liabilities[5]						

Note: Has the policy been costed by a third party?
If yes, can you provide a copy of this costing and its assumptions?

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[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 or will assist in public understanding of 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?	
What assumptions have been made in deriving the financial impacts in your estimated costing? *(See checklist)*	Assume are relevant regulatory and legislative requirements are met.
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	The full cost of this policy should be met by the $266.7 million over four years from 2023-24 currently allocated to support communities, organisations, pubs and clubs with the transition to cashless gaming (approximately $205m in the forward estimates). Please outline any remaining or unallocated funds from this offset source that may remain.

Administration of policy	
Intended date of implementation:	1 July 2023.
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	No.
Are there transitional arrangements associated with policy implementation?	n/a

If the policy is mainly an expenditure[6] commitment	
Demand driven or a capped amount:	n/a
Eligibility criteria or thresholds:	n/a

If the policy is mainly a revenue commitment	
Transaction based or capped:	n/a

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[6] Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

Thresholds and/or exemptions:	n/a
Collection method:	n/a
Additional expenditure associated with collection:	n/a

If the policy is mainly a capital costs[7] commitment	
Nature of Capital Spending	
Type of work, size and capacity:	n/a
Proposed start and completion date of work:	n/a
Intended construction schedule/cashflow:	n/a
Associated asset sell off (if any):	n/a
Recurrent Impacts	
Offsetting expenditure savings:	n/a
On-going maintenance, depreciation and operational expenses:	n/a
Third party funding involvement:	n/a
Delivery model[8]	n/a

Checklist for key assumptions (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

☐ What is the expected community impact?

☐ How many people will be affected by the policy?

☐ What is the likely take up or other behavioural response you expect?

☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?

☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?

☐ Will funding/program cost require indexation?

    o If yes, do you have any assumptions about the index that should be applied?

☐ What assumptions have you made about costs of administering the policy?

☐ Will additional staff be needed in the agency responsible for the policy?

    o How many and at what approximate levels?

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[7] Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in the net financial liabilities statement.

[8] There is a range of possible delivery models, e.g. built, owned and operated by a NSW government agency; built and transferred to a private operator; privately built for public operation; privately built and operated with government assuming risk or providing a guarantee in relation to future income (often applicable to public/private partnership arrangements), and so on. The policy should provide assumptions about the proposed delivery model.

☐ Are there other resources required?

☐ Are you assuming administrative costs will be absorbed within the agency?

Please note that:

- The costing will be on the basis of information provided in this costing request.

- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.

- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.