



New South Wales Lotteries Pty Ltd
ABN 27 078 785 449 | ACN 142 890 195

INFORMATION KIT

FRANCHISE INFORMATION KIT

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NSW LOTTERIES FRANCHISE INFORMATION KIT

Limited purpose of this kit

This kit is intended to serve as an introductory insight into becoming a NSW Lottery franchisee. There is no guarantee that it deals with every aspect of the Outlet that may be of interest to you.

This kit is not intended as a substitute for the seeking of your own professional advice in relation to the acquisition of a lottery business. The obtaining of such advice is recommended.

The content of this kit is current as at the date of this kit. However, that content will not necessarily remain current, and should not be relied upon to do so, as it relates to a business that is subject to change from time to time eg changes in policies, procedures, prices, strategic direction.

Confidentiality & ownership

This kit remains the property of NSW Lotteries. It is not to be used for any other purpose. It is not to be copied. It is not to be disclosed to others except to your professional advisers in the course of, and for the sole purpose of, seeking advice in relation to your application for a NSW Lotteries Outlet.

Chief Operating Officer's Message

NSW Lotteries is part of Australia's largest lottery operator, Tatts Lotteries. Tatts Lotteries has the licence to sell lottery products in seven jurisdictions. As Australia's leading and most capable lottery operator, our products are regularly purchased by a majority of the adult population.

The original NSW Lotteries office was established in 1931 and an 80 years plus lottery tradition continues today. NSW Lotteries has a proud history of providing exciting and innovative gaming entertainment. Being a NSW Lotteries franchisee represents an outstanding opportunity for your business to become a part of this unique world of lotteries and benefit from some of Australia's most recognised and well regarded brands.

Being a NSW Lotteries franchisee also requires a shared commitment to the vision and direction of the business. It requires the highest standards of customer service and integrity, and a desire to sell products that are innovative, exciting and widely played. In return, franchisees are recognised and rewarded for their contribution and support.

Should you require further assistance with any aspect of your application, I invite you to contact the Retail Franchise Co-ordinator at Tatts Lotteries.

Sue van der Merwe
Chief Operating Officer (Australia)
Tatts Lotteries

Vision Statement

Vision

To be the world's best gambling group

World leading in brands, innovation and technology

Loved by customers, partners and the community

Amazing people, products and workplace

TATS GROUP BRAND BOOK 2014

NSW Lotteries - A Brief History and Introduction to our Games

A brief summary of NSW Lotteries history and introduction to each game is outlined at www.nswlotteries.com.

Franchising Code of Conduct

The Franchising Code of Conduct is a compulsory code of conduct designed to provide certain safeguards to franchisees. NSW Lotteries understands that its network is covered by that compulsory code and based on that understanding (a) considers itself to be bound by the obligations placed on franchisors in that code; and (b) considers that its franchisees are entitled to the rights and to the safeguards provided to franchisees in that code; and (c) considers that in the event of any inconsistency between the code and the Franchise Agreement it is the code that prevails to the extent necessary to resolve that inconsistency.

One of the obligations placed on a franchisor under the Franchising Code of Conduct is that prospective franchisees are to be provided with, amongst other things, a copy of the code at least 14 days prior to certain events occurring (eg entry into a NSW Lotteries Franchise Agreement).

Buying a Franchise Pre-Entry Franchise Education Program

We recommend if you are thinking about entering a franchise business you look at the Griffith University Pre-Entry Franchise Education Program. This is a free e-program covering areas such as:

- What is a franchise;
- Advantages and disadvantages of a franchise;
- The Franchising Code of Conduct;
- Role of the ACCC;
- Understanding Franchise disclosure;
- Franchise fees and royalties;
- Support Services, site selection and leasing;
- Franchising intellectual property;
- Franchise Operations Manual;
- Dispute resolution;
- Questions to ask;
- Due diligence;
- Useful business skills; and
- Assessing your suitability as a franchisee.

Further information about the program can be found at:

<https://www.franchise.edu.au/home/education/for-franchisees/pre-entry-franchise-education>

Small Biz Connect

Small Biz Connect is a quality, personalised and highly subsidised business advisory program for small businesses in NSW.

Through the Program, you can:

- Get expert advice on managing your small business;
- Access face-to-face support; and
- Develop key business skills.

Small Biz Connect is funded by the NSW Government and will link with other business support services such as the Commonwealth Government's Entrepreneurs' Infrastructure program, as well as initiatives of Local Government and private enterprise

Whether you're just starting out, want to expand your business or are ready to retire, take the next step with Small Biz Connect.

Please call 1300 134 359 to make an appointment with your local advisor or visit

www.smallbusiness.nsw.gov.au.

Benefits to Franchisees

NSW Lotteries places great emphasis on working together with franchisees to ensure both NSW Lotteries and franchisees benefit through better business performance.

The considerable benefits in becoming a NSW Lotteries franchisee include the following:

- Increased business opportunities
- Comprehensive training
- Marketing support
- Operational and technical support
- Commissions

Franchise Criteria

Proposed NSW Lotteries franchisees are assessed against the following three (3) criteria:

(1) Suitability of the Applicant

Relevant considerations include:

- a) Creditworthiness;
- b) Business skills;
- c) Management skills;
- d) Communication skills;
- e) Criminal history;
- f) Understanding and ability to work in a high demanding customer service environment;
- g) Professional presentation; and
- h) Suitability and ability to conduct the Lottery Business in accordance with NSW Lotteries procedures and in a strictly government regulated business environment. Relevant considerations include, but are not limited to:
 - i. Retail and customer service experience;
 - ii. Development and implementation of operational / business plans;
 - iii. Goal setting and achievement;
 - iv. Business administration / time management and organisational skills;
 - v. Financial management;
 - vi. Computer skills'
 - vii. Staff management, recruitment, training and development; and
 - viii. English Language Proficiency– reading, speaking and listening.

(2) Suitability of the Business

Relevant considerations include:

- a) Whether the host business:
 - i. Is a retail business or is operated from retail shopping premises;
 - ii. Fits with and can support the integrity and values that are associated with the NSW Lotteries branding;
 - iii. Can accommodate NSW Lotteries Retail Image standards; and
 - iv. The hours of operation of the host business.
- b) Whether the communication links to the proposed site will be compatible with NSW Lotteries systems and regulatory requirements;
- c) The security of tenure in respect of the proposed site; and
- d) The ability of the host business to support a broadband internet connection.

(3) Ability to Generate a Sufficient Financial Return for NSW Lotteries

Relevant considerations include:

- a) The anticipated quantum of sales, incremental sales and incremental profit returns for NSW Lotteries from the network as a whole. When considering this issue the following factors may also be taken into account, including but not limited to:
 - i. The physical location of the proposed site;
 - ii. The pedestrian and vehicle traffic flow and parking;
 - iii. The actual or likely customer traffic flow of the host business;
 - iv. The population in the area and/or any immediate demonstrable potential growth in population;
 - v. The actual or likely potential retail turnover of the host business;
 - vi. The number, type and mix of surrounding businesses; and
 - vii. Environmental factors such as any future development or material changes in the area which will impact on the proposed site.
- b) NSW Lotteries may substitute the above criteria relating to incremental sales and profits with the preservation of existing sales and profits where it considers it desirable to do so for the purpose of preserving existing network sales. For example, it may do so where:
 - i. The proposed Outlet is to be located in a new or existing shopping complex; and
 - ii. The shopping complex is considered by NSW Lotteries to be likely to attract substantial custom from customers who have traditionally frequented other commercial premises containing a NSW Lotteries Outlet or Outlets.

Supervisor Criteria

Proposed NSW Lotteries Supervisors are assessed against the following criteria:

(1) Suitability of the Supervisor

Relevant considerations include, but are not limited to:

- i. Retail and customer service experience
- ii. Goal setting and achievement
- iii. Business administration / time management and organisational skills
- iv. Financial management
- v. Computer skills
- vi. Staff management, recruitment, training and development
- vii. English Language Proficiency– reading, speaking and listening

Type of Outlets

The type of Outlet granted will depend on the sales potential of each particular lottery product. An Outlet will be appointed as one of the following:

- All Products Outlet selling all nominated NSW Lotteries products using a gaming terminal. (Some All Products Outlets also have an Instant Scratch-Its S3 terminal)
- Instant Scratch-Its only Outlet selling a range of Instant Scratch-Its tickets using an S3 terminal.

Application Process

Site Evaluation

When an application is received for a new site, NSW Lotteries reviews the business and site location to determine if the franchise criteria can be met. NSW Lotteries will perform a site evaluation to verify details contained within the application and to gather any other relevant information.

Surrounding Outlets within close proximity may be advised of your application and be invited to submit their views in writing relating to NSW Lotteries franchise criteria. These comments may be taken into consideration during the final decision process.

NSW Lotteries franchisees are not granted exclusive territories.

The appointment process is normally completed within 30-60 working days, however in some instances and areas this process may take longer.

NSW Lotteries continues to monitor growth areas. Where an area is identified as not serviced or under-serviced, NSW Lotteries may do one or more of the following:

- Invite the nearest existing franchisee to discuss the opportunity to provide an increased level of service;
- Seek expressions of interest from other interested parties;
- Consider applications from current businesses in the under-serviced area to become a NSW Lotteries Outlet; and/or
- Approach current businesses in the under-serviced area to become a NSW Lotteries Outlet.

Applicant Assessment

To assess the suitability and ability of the applicant as outlined in the franchise criteria, applicants are required to attend a face to face interview.

Supervisor Assessment

To assess the suitability and ability of the supervisor they are required to attend a face to face interview.

Transfer of Ownership

NSW Lotteries reserves the right to refuse transfer of ownership on reasonable grounds, which include:

- The assignee or transferee does not meet the franchise criteria; or
- The assignee or transferee has not agreed in writing to comply with the Franchise Agreement or Outlet Procedures Manual.

Lease Requirements

The entity entering into the Agreement must have the right to occupy the Outlet by lease or sub lease.

Outlet Relocation

Where a franchisee wishes or is forced to relocate the Outlet to a new location, franchisees must apply to NSW Lotteries to relocate the Outlet.

Relocation of an Outlet is at the discretion of NSW Lotteries which will be exercised taking into account many factors including but not limited to the following:

- The proposed new location is a short distance from the Outlet's existing location;
- The proposed location is within the same catchment area and will service substantially the same customers;
- The franchisee will be able to maintain or improve existing lottery sales levels at the proposed location; and
- The proposed Retail Image for the new premises meets NSW Lotteries Retail Image requirements.

The definition of "short distance" will be at the discretion of NSW Lotteries.

The definition of "catchment area" is the geographical area from which NSW Lotteries determines an Outlet predominantly draws its customers.

If NSW Lotteries determines that any of the criteria outlined above are not met and rejects the relocation application, the franchisee may still move the host business to the proposed location however the NSW Lotteries Outlet will not be transferred to that location. The franchisee may then submit an application for a new NSW Lotteries Outlet at the new location. Any application received under these circumstances will be assessed against NSW Lotteries franchisee criteria for the appointment of new Outlets, together with any other applications sought or received by NSW Lotteries area.

Lottery equipment must not be moved without the prior knowledge of NSW Lotteries. This applies to equipment movements resulting from Outlet relocations or layout alterations.

Granting of Temporary Closures

All requests for temporary closure must be received in writing. NSW Lotteries will then give consideration to the request for temporary closure of the Outlet. Examples of circumstances in which such consideration will be given are as follows:

- minor changes to building structure which may give rise to Work Place Health and Safety issues;
- temporary loss of utility services such as electricity and water; and / or
- centre redevelopments and only on the understanding that at the time of the request, a lease exists to re-establish the business when the redevelopment has been completed.

In all of the above circumstances it is expected that the request for a temporary closure would be for a very limited period and that all approvals will be at the discretion of NSW Lotteries.

Where approval for a temporary closure is granted the franchisee will be required to ensure there is adequate signage advising customers when the Outlet will be reopening, as well as signage displaying the addresses of the closest Outlets.

Training Requirements

All Products Outlet appointments

A minimum of two prospective franchisees and/or supervisors are required to successfully complete the NSW Lotteries Training prior to settlement and / or commencement of selling lottery products.

The New Retailer Program is a two week competency based program.

Week 1: Comprises of five days (Monday to Friday) classroom based training held at NSW Lotteries Office in Sydney Olympic Park. This week introduces franchisees to NSW Lotteries products, procedures and equipment. The training also covers information regarding accounts and reconciliation, legal and compliance requirements, sales development and promotions.

Week 2: The following week comprises of 40 hours over six days (Monday to Saturday) at a NSW Lotteries nominated Endorsed Training Outlet (ETO). This training is conducted in a working Outlet, providing practical experience in Outlet procedures under the guidance of an existing NSW Lotteries franchisee. ETO's are located in the Sydney metro area and NSW Lotteries will determine the ETO placement for New Retailer Program participants.

Instant Scratch-Its only appointments

Prospective franchisees and / or supervisors are required to successfully complete the self-paced S3 Terminal Training Guide prior to settlement and / or commencement of trade. For newly appointed Outlets franchisees and / or supervisors will be required to complete a Competency Checklist with their Retail Territory Manager in the Outlet prior to commencement of selling Instant Scratch-It tickets.

Staff

For staff to acquire the necessary skills and knowledge they must complete training which is conducted by NSW Lotteries. Training must be completed prior to the selling or processing of lottery products.

Change of Ownership of an Existing Outlet

Upon the sale of an existing Outlet, the Franchise Agreement does not automatically transfer to the purchaser. The purchaser must apply to NSW Lotteries (prior to settlement) to become a NSW Lotteries franchisee. NSW Lotteries will only appoint a purchaser as a franchisee if the purchaser meets NSW Lotteries franchise criteria.

Changes of Business Structure (Partners or Directors and/ or Shareholders)

Franchisees must notify NSW Lotteries of any of the following types of proposed changes to their business prior to implementing them:

- Addition or removal of a partner;
- Appointment or resignation of a director;
- Appointment or resignation of a shareholder;
- Change of company details;
- Change of trust details (name and / or trustee);
- Change of ABN; and
- Any combination of the above.

Any changes to the business structure as referred to above will require a new application to be submitted to NSW Lotteries for assessment against the franchise criteria. If NSW Lotteries approves the application, a new Franchise Agreement may be issued or the existing agreement may be transferred to the new entity or partnership. You may be required to complete NSW Lotteries training prior to entering into the new Franchise Agreement.

NSW Lotteries Fees and Charges

Application Fees

An application fee is payable for all new, change of ownership or transfer applications and relocations made to NSW Lotteries.

This fee is to cover administrative expenses associated with assessing the application.

- Change of Ownership/Transfer – \$550 (incl. GST)
- Change of Business Structure - \$550 (incl. GST)
- Change of Ownership & Relocation - \$825 (incl. GST)
- New Site – \$825 (incl. GST)
- Relocation – \$825 (incl. GST)

All Products Outlet Training Fees

The first week costs \$495 per person (incl. GST) and is payable prior to attending the training program. The second week costs \$825 per person (incl. GST) and is payable directly to the Endorsed Training Outlet (ETO).

All Products Outlet Franchise Fees

The Change of Ownership Franchise Fee is 1.1% (incl. GST) of the value of Subscriptions sold at the Outlet during each Accounting week of Year 1 (being for the period of 12 months from the Commencement Date) and payable twice weekly.

A New Site Establishment Fee of \$27,500 (incl. GST) is payable prior to commencement of trade. A New Outlet Franchise Fee is also payable for the first three years that the business is in operation. This fee is 1.1% (incl. GST) of the value of Subscriptions sold at the Outlet during each Accounting Week of Years 1, 2 & 3 (being the period from the Commencement Date) and payable twice weekly.

In the event a New Site undergoes a Change of Ownership during the first three years that the business is in operation then the new franchisee will be responsible for the continuation of payment of the New Outlet Franchise Fee.

Change of Business Structure (Partners or Directors and/ or Shareholders)

For a change of partners or directors and/or shareholders of a company, franchisees must submit an application and go through the application process. There may also be a change of ownership fee payable (or percentage thereof) for adding partners or shareholders of a company, which is based on 1.1% (incl. GST) of the value of Subscriptions sold at the Outlet during the 12 month period prior to the commencement date.

Renewal Fee

\$275 (incl. GST) upon each renewal of the Agreement.

Charges in respect of the sale of Lottery Products, excluding Player Cards

1.1% (incl. GST) of Subscriptions in respect of all Lottery Products other than for Instant Scratch-Its Tickets which is 1% (incl. GST) of Subscriptions.

Plus an amount equivalent to 0.05% (excl. GST) of Subscriptions for all Entries in all Public Lotteries conducted by the Franchisor upon commencement of the operation of DigiPOS Equipment in the Outlet.

Insurance

All Products Outlets must obtain **Lotteries Special Risks Insurance and Professional Indemnity Insurance** which meets NSW Lotteries mandatory insurance requirements prior to the commencement as a NSW Lotteries Franchise Agreement.

Instant Scratch-Its only Outlets must obtain **Lotteries Special Risks Insurance** which meets NSW Lotteries mandatory insurance requirements prior to the commencement as a NSW Lotteries franchisee.

Commissions

The commission is fixed at 9.3% (incl. GST) of the subscription cost per game or as near as possible to 9.3% after the amount of commission is calculated for the total number of games on an entry ticket, subject to rounding to the nearest five cents excluding Lucky Lotteries which is fixed at 10% incl. GST.

The Instant Scratch-Its tickets commission is 8 and 9% (excl. GST) depending on the ticket value. (Average 8.8% incl. GST)

Franchise Agreement and Outlet Procedures Manual

Approved applicants who have met all the standards and necessary franchise criteria, are required to enter into a Franchise Agreement which specifies the requirements of both the franchisee and NSW Lotteries. The Franchise Agreement will be for a five year term and at least six months prior to the end of the term NSW Lotteries will indicate whether a further term will be offered.

A franchisee must abide by the conditions as outlined in the Franchise Agreement and Outlet Procedures Manual, which contains policies, standards and procedures.

Failure to comply with the Franchise Agreement and/or Outlet Procedures Manual may result in remedial action being taken by NSW Lotteries. Remedial action will depend on the circumstances and could involve suspension or termination of the Franchise Agreement. The contents of the Outlet Procedures Manual are to be kept confidential and used only for the purpose of managing a NSW Lotteries Outlet.

NSW Lotteries reviews the sales performance and compliance of franchisees under the Franchise Agreement each year. The franchisee will be notified of any areas where their performance could be improved or where they are not meeting the terms of the Franchise Agreement or the standards required by NSW Lotteries.

Sales Requirements

There is a high capital cost involved in the installation, maintenance and ongoing support to maintain an Outlet, therefore new Outlets must deliver a minimum level of incremental sales and incremental profit returns for NSW Lotteries from the network as a whole.

The sales criteria for obtaining an Outlet are only one part of the franchise criteria for the granting of an Outlet. The retention of an Outlet once granted depends not only on meeting the relevant sales criteria, but also on the absence of breaches of the Franchise Agreement which warrant termination of the Franchise Agreement.

Granting of an Outlet

Required minimum sales level criteria for new appointments must be achieved through incremental sales resulting in incremental profits to NSW Lotteries. NSW Lotteries reserves the right to appoint Outlets, which in NSW Lotteries opinion, satisfies the franchise criteria.

Instant Scratch-Its Only Outlet

The Outlet must demonstrate the ability to generate \$1,000 per week in incremental sales.

All Products Outlet

The Outlet must demonstrate the ability to generate a minimum of \$4,300 per week in incremental lottery sales.

The reference to “incremental sales” means additional sales to the NSW Lotteries network.

Retention of an Outlet

Instant Scratch-Its Only Outlet

The Outlet must maintain minimum sales of \$750 per week to retain the right to sell Instant Scratch-Its tickets. This figure is CPI adjusted each year and Outlets will be advised of the amount.

All Products Outlet

The Outlet must maintain minimum lottery sales of \$2,400 per week to retain the right to sell lottery products. This figure is CPI adjusted each year and Outlets will be advised of the amount.

Sales Performance

It is the policy of NSW Lotteries to undertake an annual review of the sales performance of the network during January of each year. The annual review will be conducted by determining the average sales level for the prior six months for each Outlet compared to the specified level of minimum sales in the Sales and Terminal Policy.

Outlets operating below the minimum required sales level will be placed on notice for a period of six months. The Franchise Agreement may be terminated if average sales do not meet required levels at the end of the probationary period.

GST

Franchisees are liable to pay GST on the commission earned from product sales and player registration. This means that 1/11th of total commissions will represent GST which franchisees should include in the Business Activity Statements in the relevant BAS period sent to the Australian Taxation Office ("ATO").

NSW Lotteries issues a Recipient Created Tax Invoice (RCTI) to franchisees for commissions on product sales and player registration of which franchisees can rely on as source of support for the calculation of GST.

For both product sales and player registration, NSW Lotteries issues a Recipient Created Tax Invoice (RCTI) to franchisees.

Paying Prizes

NSW Lotteries Prize Payment Policy states that franchisees must pay prizes up to and including \$1,000 in cash and ensure sufficient funds are available to do so.

Responsible Play Commitment

Tattersall's Sweeps Pty Ltd (Tatts), Tatts NT Lotteries (Tatts NT), Golden Casket Lottery Corporation Limited (Golden Casket) and New South Wales Lotteries Corporation Pty Ltd (NSW Lotteries) collectively referred to as Tatts Lotteries) are leaders in providing innovative and socially responsible lottery games in Victoria, Tasmania, NT, ACT, Queensland and New South Wales.

Tatts Lotteries runs a Responsible Play Program which is designed to encourage responsible gambling. While recognising that lotteries are a low risk form of gambling, the Tatts Lotteries Responsible Play Program includes a range of measures to encourage responsible play of lotteries.

Responsible play is all about being informed, having fun and players knowing their own limits. Tatts Lotteries and our retail agency network (franchisees) are committed to Responsible Play and to keeping lotteries fun and entertaining.

The cornerstones of the Responsible Play Program are the Tatts Lotteries Responsible Gambling Codes of Conduct applicable to each state or territory. A full copy of the Code relevant to a specific state or territory is available for inspection at the relevant Tatts, NSW Lotteries or Golden Casket Outlet or online.

To supplement the codes, new franchisees are trained in Responsible Play and are also provided with a self-paced training Guide or Workbook which provide specific information around the Tatts lotteries Responsible Play Program and the requirements and obligations for franchisees and their staff in a specific State or Territory.

Retail Image

NSW Lotteries is committed to maintaining the highest standards of excellence in our products and customer service. A major part of this involves portraying a highly recognisable and consistent Retail Image that clearly informs our customers about where Outlets are and what games can be played.

The purpose of complying with the NSW Lotteries Retail Image is to ensure your Outlet has an image that will:

- Maximise customer's brand recognition and purchase of products;
- Maintain a strong identity throughout the network;
- Allow franchisees to benefit from the connection to NSW Lotteries advertising that directs customers to your NSW Lotteries Outlets;
- Provide Outlets with a modern retailing concept; and
- Provide a bright, attractive and effective environment for customers and staff.

The Franchise Agreement requires franchisees to comply with the Retail Image Policy.

Retail Image Policy

NSW Lotteries has a strict set of requirements for the completion of various installations. In addition franchisees are required to comply with Shopfit Design Specifications and any other update or communication from NSW Lotteries in relation to shopfit installations.

The previous Retail Image expired on 30 June 2015.

The Expiry Timetable below outlines the timeline of the rolling expiry dates. Each store will receive an Upgrade Notice to Generation One Retail Image to indicate their Retail Image due date.

Date of original installation:	Date that the Generation One Retail Image is to be installed by:
Prior to 31 December 1998	30 June 2016
1999 - 2000	30 June 2017
2001	30 June 2018
2002	30 June 2019
2003	30 June 2020
2004	30 June 2021
2005 – 2006	30 June 2022
2007 – 2009	30 June 2023
2010 – 2013	30 June 2024
2014 +	30 June 2025

The Generation One Retail Image was updated on 1 February 2016 to include DigiPOS and is now the current Retail Image. All Retail Image installations after this date must be the current image.

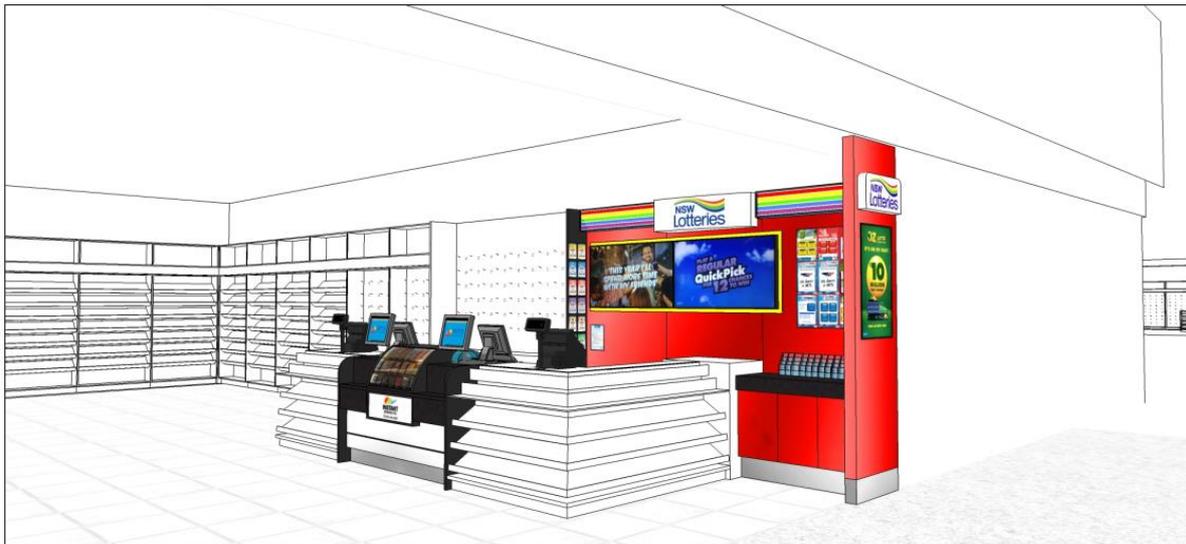
New All Products Outlets

Applicants approved for a new All Products Outlet must install the current image, prior to the commencement of selling lottery products. The current retail image is Generation One DigiPOS.

Minimum Design Requirements

There are three Retail Image categories:

- **One (1) Screen** based upon sales category
- **Two (2) Screens** based upon sales category
- **Kiosk** – based upon shopping centre environment



Fitout Costs for Outlets

The cost of a Retail Image shopfit depends on many variables including individual needs, site requirements, final agreed layout and store type. It also depends on the shopfitter and/or contractors selected. Costs for installation are approximately \$20,000 and \$35,000. To obtain actual fitout costs relevant to your Outlet you must deal with your selected NSW Lotteries Approved shopfitter and/or contractor.

Retail Image components are to be treated with due care and attention. Replacement of any of these components will be at the expense of the franchisee.

Franchisees Responsibilities

Franchisees are responsible for:

- Organising shopfitters, contractors, quotes, plans and all associated costs relevant to the fitout of their Outlet;
- The selection of a shopfitter and/or contractors;
- The shopfit contract;
- Ensuring the selected shopfitter and/or contractors are appropriately licensed and are a NSW Lotteries Approved Shopfitter to perform the works they have quoted and that their licence is still valid;
- Ensuring that all works performed by the shopfitter and/or contractors are in accordance with all required regulations, standards and requirements for the

- relevant State, Landlord and Shopping Centre;
- Negotiation and management of the agreement between the shopfitter and the Retailer for supply and installation of the Retail Image;
- Any fees associated with the fit out of the Retail Image and/or signage;
- Ensuring that the NSW Lotteries Dedicated Trading Area incorporating the fitout is regularly maintained in line with Workplace Health & Safety Standards;
- All costs associated with maintaining any component in whole or in part of the NSW Lotteries Retail Image; and
- Obtaining NSW Lotteries written approval of completion of the Retail Image.

NSW Lotteries Responsibilities

NSW Lotteries responsibilities are limited to the following areas of the fitout process:

- Provide detailed design specifications and construction drawings as well as communicate to NSW Lotteries Approved shopfitters as required;
- Approval of plans in so far as they relate to the implementation of the Retail Image;
- Organisation and supply of the current fitout component package; and
- Final inspection, audit and approval to confirm that the fitout is in accordance with the approved plan.

NSW Lotteries Plan Approval

All plans must be submitted to and approved by NSW Lotteries before any works commence to implement the Retail Image. Standard layouts are detailed in the Generation One DigiPOS Retail Image Schematics, available on request by contacting NSW Lotteries or on Retailers Web.

Shopfitter and Contractor Responsibilities

NSW Lotteries will supply a list of shopfitters that have been accredited to be an Approved shopfitter by NSW Lotteries to manufacture and install the latest Retail Image. This list is provided as an aid to franchisees. NSW Lotteries does not guarantee the work of the shopfitters included in this list. NSW Lotteries recommends franchisees obtain three quotes.

Only NSW Lotteries accredited shopfitters or technicians are required to move or install lottery equipment.

It is the Retailer's responsibility to satisfy itself that the selected shopfitter:

- Holds all required licences for the relevant state in which the Outlet is located;
- Has appropriate level of Work Cover Insurance;
- Has appropriate level of Industrial Special Risks Insurance;
- Performs all works in accordance with all necessary regulatory standards and requirements inclusive of the work place Health & Safety regime; and
- Performs all works in accordance with the plans approved by NSW Lotteries for the Retail Image.

New Instant Scratch-Its (ISI) only Outlets

Applicants approved for a new Instant Scratch-Its (ISI) only Outlet must install and maintain the Instant Scratch-Its Retail Image at the time of appointment as a NSW Lotteries franchise and prior to the commencement of business. The Instant Scratch-Its Retail Image has been designed for minimal installation. The approximate cost for the Instant Scratch-Its Retail Image is \$1,500 - \$3,000.

The Instant Scratch-Its dispenser unit should be positioned directly next to the main customer transaction point (Main POS / Cash Register).

Retail Image components are to be treated with due care and attention. Replacement of any of these components, other than those with six month warranty considerations, will also be at the expense of the franchisee.

Franchisees Responsibilities

- Organising shopfitters, contractors, quotes, plans and all associated costs relevant to the fitout of their Outlet;
- The selection of a shopfitter and/or contractors;
- The shopfit contract;
- The installation of the Instant Scratch-Its Retail Image;
- Ensuring that all works performed by the shopfitter and/or contractors are in accordance with all required regulations, standards and requirements for the relevant state, Landlord and Shopping Centre; and
- All costs associated with maintaining any component in whole or in part of the Instant Scratch-Its Retail Image.

NSW Lotteries Responsibilities

NSW Lotteries responsibilities are limited to the following areas:

- Provide detailed design specifications and construction drawings as well as communicate to shopfitters and/or contractors as required;
- Approval of plans in so far as they relate to the implementation of the Instant Scratch-Its Retail Image;
- Providing assistance to the franchisee if required;
- Providing assistance to the contractor if required;
- Organisation and delivery of the Instant Scratch-Its Retail Image components; and
- Final inspection to confirm that the Instant Scratch-Its Retail Image that has been implemented is acceptable.

Upgrade to an All Products Outlet

Instant Scratch-Its Only Outlets approved to upgrade to an All Products Outlet, must implement the Retail Image as per the Retail Image Policy prior to commencement of trade as an All Products Outlet.

Outlet Change of Ownership

Where a change of ownership occurs it will be expected that the new franchisee meet and maintain the Retail Image Standards applicable to that Outlet as determined by NSW Lotteries.

Outlet Relocations

If an Outlet is approved to relocate, the latest Retail Image must be implemented in the new location prior to commencement of trade.

Outlet Ceasing to Trade

In the event of an Outlet ceasing to trade, the outgoing franchisee must ensure all signage, fixtures and promotional elements related to the business are removed.

HOW TO APPLY TO BECOME A FRANCHISEE

By now, a prospective franchisee should have a good idea of the rewards and responsibilities associated with being a NSW Lotteries Outlet.

If prospective franchisees feel they have fully understood and can comply with all the requirements and specified criteria for conducting an Outlet, then they should:

1. Contact NSW Lotteries on (07) 3877 1118 or email retailerapplications@thelott.com
2. Read and complete the application form. Processing of the application may be delayed if the application is not fully completed, signed and returned with all supporting documentation.
3. Include payment of the required application fee. If payment is made by cheque please make payable to NSW Lotteries.

Complaint Handling Charter

As part of NSW Lotteries ongoing commitment to customer and franchisee service, NSW Lotteries has a centralised team responsible for the management and resolution of complaints. This allows NSW Lotteries to manage all complaints consistently, fairly and efficiently, ensuring that customers and franchisees that share their concerns with us receive the level of responsiveness they are entitled to. As part of this commitment, this complaint handling charter has been developed which outlines NSW Lotteries role in the complaint handling process and advises people who wish to lodge a complaint of their rights and responsibilities.

It is recommended that the franchisee attempt to resolve any customer complaints immediately, however if the customer complaint cannot be resolved, customers should be encouraged to telephone NSW Lotteries Contact Centre directly.

At times customer complaints may be passed on to NSW Lotteries complaint handling staff if required and these staff may contact you to obtain more information.

How do I make a complaint?

Making a complaint to NSW Lotteries is simple and easy. You can make the complaint in person, by telephone, letter, fax or email. See below for contact details.

Phone: NSW Lotteries Contact Centre on 1300 363 444
Email: customersupport@nswlotteries.com.au
Fax: (07) 3877 1140
Write to: Complaints Coordinator
NSW Lotteries
Locked Bag 7,
COORPAROO DC QLD 4151

NOTE: If you are making the complaint in person or by telephone, NSW Lotteries representatives may ask you to submit your complaint in writing.

What should I include in my complaint?

- Your name, address and contact details;
- Any details of your complaint that will enable NSW Lotteries to assess and process your complaint;
- Where relevant, please provide copies of any documents relating to your complaint;
- Details of any prior contact with NSW Lotteries on the complaint, including the names of any NSW Lotteries employees you may have previously dealt with.

What are my rights when making a complaint?

You have the right to:

- easily lodge a complaint, and where required, seek assistance to lodge it, at no charge from NSW Lotteries;
- have your complaint dealt with in a fair, efficient and courteous manner;
- have information identified by you as confidential, treated as confidential by NSW Lotteries unless it has reasonable grounds for doing otherwise (eg a report to the Minister or Regulator);
- seek your own legal advice;
- be informed of the criteria and processes for how your complaint will be dealt with;
- know whether this charter has been followed;
- be informed of NSW Lotteries response, and the reason for this response; and
- provide directly relevant material in support of the complaint.

How will my complaint be handled?

- NSW Lotteries will receive your complaint, record the details, give it fair and genuine consideration and deal with it in an effective way to achieve fair outcomes.
- NSW Lotteries will inquire into your complaint, and consult with NSW Lotteries staff and Outlets (where appropriate) within a reasonable timeframe, having regard to the nature and complexity of the complaint.
- NSW Lotteries will keep you and the person complained about (if applicable) informed of progress.
- If appropriate and where possible, NSW Lotteries will recommend changes to remedy the situation, and then inform you of the decision made and the reasons for the decision.
- NSW Lotteries will treat all information with respect and handle personal information in accordance with the Corporation's Privacy Policy.
- NSW Lotteries will take action to resolve the complaint.

Some important points

- Someone else may make a complaint on your behalf, however it may still be necessary for NSW Lotteries to contact you directly.
- If you are experiencing difficulty expressing your complaint, you may seek NSW Lotteries assistance.
- If you make an anonymous complaint, NSW Lotteries capacity to inquire into the issue may be limited. Whilst all attempts will be made to protect your identity, your identity may become apparent during the course of the inquiry.
- NSW Lotteries may request your assistance to enable the Corporation to assess and process your complaint
- Please do not to make complaints that are vexatious or frivolous or that relate to a matter that has been dealt with in a previous complaint.

Feedback about our services

NSW Lotteries is committed to improving the level of service it provides and your feedback is very important.

You can visit, telephone, fax, email or write to us at the addresses above to give us your feedback on our service and the Complaints Handling Charter.

If you would like to make a suggestion about our complaints handling process, it would be helpful if you would first raise the matter with the NSW Lotteries staff member you have been dealing with. If you are not satisfied, please contact NSW Lotteries Contact Centre on 1300 363 444 or contact NSW Lotteries using the details above.