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<b>Lead topic: The National Lottery Fund</b>	<b>Sub-topic: Lotto Game Change</b>	<b>Contact: Margot Dunne Ext: 5523</b>
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#### **FAST FACTS**

- **The Lottery Operator announced a change to its main Lotto game on 7<sup>th</sup> August this year with the changes coming into effect on 3<sup>rd</sup> September.**
- **This involved a change to the Lotto game matrix (from a 6/45 matrix to a 6/47 matrix), an increase in the price of playing Lotto, and an increase in the ways in which players can win a prize.**
- **Under the terms of the legislation governing the Lottery, a Lottery game change must be approved by the Regulator before a new game can be introduced or an existing game changed.**
- **The decision sought, in this instance, was to increase the current 6/45 matrix to a 6/47 matrix.**
- **Under the Act it is the operator, not the regulator, who sets prices.**

#### **Q&A'S**

- **Why was the game change sanctioned?**  
The key issues considered were probity, protection of the interests of Lottery players, the long term sustainability of the lottery and the maximisation of revenue for good causes.  
Good Causes revenue had been in decline since 2008.
- **Did the Department/Minister have a role in approving the Lotto game change?**  
The approval of schemes or amendments to schemes to lottery games is a matter for the Regulator. The Minister was the Regulator prior to the appointment of the National Lottery Regulator on 17 November 2014. The Department received an application for a game change from the operator in February 2014. Having considered the business case and the clarifications received over an eight month period and with a view to ensuring both the long term sustainability of the lottery and the maximisation of revenue for "Good Causes", the decision was taken in October 2014 to approve the request for the game change proposal. The approval related solely to the matrix change as, under the legislation, the Regulator has no role in relation to setting price.
- **Why was a lotto game change approved just weeks before the appointment of the Lottery Regulator?**  
The Department received an application for a game change from the operator in February 2014. It had taken from February until October before the Department

was satisfied that it had received the necessary clarifications in relation to the business case for a game change and to be in a position to make a decision on the matter.

At that point, the new Regulator was due to take up office in a couple of weeks. However, it was not open to the Department to delay making a decision on these grounds. The operator, who is a commercial enterprise, had to be provided with a decision in a reasonable timeframe.

In addition, it was deemed entirely reasonable to proceed with the sanction at that stage given that the Department had been engaged for some eight months in protracted discussions with the operator and was satisfied on the merits of the case for a game change. Moreover, it was considered that a significant interval would elapse before the Office of the Regulator would be operational.

- **Will the game change negatively impact on funds for good causes?**

The Lotto game change was only recently introduced and so it is still too early to assess the impact of the change on sales and Good Causes revenue. However, in sanctioning any Lotto game change, the Regulator must take into account the impact on the long term sustainability of the lottery and on revenue for Good Causes. When applying for sanction to change the Lotto game, the Lottery operator provided detailed market research material supporting its case. The change was introduced on the basis that it would grow the game which, of course, would have a positive impact on funds for Good Causes. The operator also noted that failure to change the game would have a negative impact on Good Causes revenues.

- **Recent reports show that the number of prize winners has reduced by a third since the introduction of the game change. Is the Department concerned that this will negatively impact on the image of the Lottery and on the numbers playing?**

As has already been stated, it is too early to judge the actual impact of the game change. The changes have only been in place for two and a half months. It is important to note that sales and revenues for good causes have been declining in recent years and so it was clear that something had to be done to ensure the long term sustainability of the game. The results of the detailed market research conducted by the operator supported its case for a game change and the change was introduced on the basis that it would grow the game.