

**Association of Charity Lotteries in the European Union – submission
to public consultation of the Norwegian Ministry of Culture
regarding changes in lottery regulations
December 2014**



The Association of Charity Lotteries in the European Union (ACLEU) thanks the Norwegian Ministry of Culture for opening a public consultation about the upcoming changes in lottery regulation. In this submission, ACLEU will articulate a clear case in favour of abolishing, or at least reducing, restrictions on the operation of private lotteries to maximise returns for charities.

About ACLEU

The Association of Charity Lotteries in the European Union (ACLEU) is an international non-profit organisation, established in 2007 to promote the charity lottery model and to give a voice to private charity lotteries and their beneficiaries in the European debate on games of chance and in all matters relating to fundraising through charity lotteries.

The members of ACLEU believe charities in every European country should be empowered to use a charity lottery as a fundraising tool. We also believe that charity lotteries should be able to operate nation-wide, next to state lotteries, financing national civil societies, and working with a licence issued by the national government or their appropriate regulator. Charity lotteries have proven to be successful in the Netherlands, Sweden, Ireland and Britain. These lotteries have joined forces in ACLEU to promote this effective fundraising model throughout Europe by raising awareness among politicians, policymakers and charities. Through raising awareness and advocating for progressive changes in the way charity lotteries are regulated, it is the hope of ACLEU that more charitable organisations will be able to benefit from the proceeds of our members.

Our members include: BankGiro Loterij (NL), The Health Lottery (GB), Nationale Postcode Loterij (NL), Rehab Lotteries (IE), VriendenLoterij (NL), Zonnebloem Loterij (NL), Jantje Beton Loterij (NL), People's Postcode Lottery (GB), Scouting Loterij (NL) and Svenska PostkodLotteriet (SE).

ACLEU's position

ACLEU believes any kind of restriction imposed by law to raising money for charities is not justified. In times when governments withdraw and private donations are in decline (a trend seen everywhere throughout the European continent), additional long-term funding provided by private charity lotteries is key to the survival of European civil society organisations.

The protection of a state monopoly should never justify depriving funding to NGOs, especially not when the world faces enormous challenges like climate change, the spread of ebola and other diseases, deterioration of labour conditions, the influx of refugees, the decline of biodiversity, fair distribution of food supplies and the defence of LGBT rights. If the Norwegian government seriously wants to give a helping hand to international social and humanitarian organisations it should not impose restrictions on the operation of private charity lotteries of any kind.

Moreover, research has shown private charity lotteries are not a threat to existing state monopolies.¹ The research concluded that countries where a private charity lottery was introduced next to the incumbent state lottery (Spain, Sweden and the Netherlands) led to an *increase* of turnover of the state lottery, as additional target groups were created and the overall interest in lotteries expanded. More recent research from the United Kingdom² shows that there is little

¹ *Better Chances for Charity Lotteries*, SEO Economic Research, University of Amsterdam, December 2007

² *What have we got to lose? How society lotteries could do even more for good causes*, Cebr, February 2014

evidence to suggest that the National Lottery would significantly be affected by partial deregulation of charity lotteries.

That being said, it should be noted that lotteries are not addictive and not a stepping stone to more addictive games of chances.³ Another reason not to restrict the operation of charity lotteries.

Recommendations

Although we have made clear that the members of ACLEU see no justification whatsoever for limiting fundraising possibilities for charities, we would like to make some concrete recommendations for the proposed changes in the Norwegian lottery regulations:

1) Raise the cap of 300 million NOK annual turnover to 20% of the total turnover of Norsk Tipping.

This way, the monopoly position of Norsk Tipping is by far not threatened, while it gives a serious opportunity for charity lotteries to enter the market and raise additional funds for charities.

2) The amount of licenses should not be restricted to 5. The members of ACLEU are of the opinion that an unlimited number of licenses in theory will in practice mean a limited number of eligible companies. **Companies should have the possibility to apply for more than 1 license.**

10 billion euros could be raised...

We urge the Norwegian government to seriously take into account the abovementioned recommendations. Nevertheless, we would like to bring to your attention what a charity lottery according to ACLEU looks like, free from restrictions:

1) A charity lottery is privately operated, with a license from the national government of course, but not operated nor owned by the government. This is to ensure that funding is additional to government subsidies, instead of replacing them.

2) Following from 1), there is no political interference in the distribution of the funds – funding decisions are made by an independent board. After all, when politics are involved distribution funds can change, especially after elections, in order to match government policies.

3) The primary aim of a charity lottery is to raise funds for charitable organisations (the lottery is just a tool). The fundraising efforts are not used as a mere excuse for organising the lottery, but are indeed the main reason. Therefore, no private profits should be made.

4) Following from 3), a substantial part should go to the benefiting organisations. Ideally, the operational costs of the lottery do not exceed 20% of turnover, with the remaining 80% equally divided between donations to charities (40%) and prize money (40%). We have to take into account however that these percentages depend on the maturity of the lottery, the legal national requirements and the market situation.

5) A charity lottery provides institutional support - beneficiaries can spend the money as they see fit. A charity lottery supports the objectives of an organisation rather than specific projects or activities.

6) A charity lottery should be a reliable partner to the organisations it supports, therefore funding should be long-term.

If all European countries would allow private charity lotteries to operate this way; over **10 billion euros** in additional funds could be raised for civil society organisations in Europe.

³ *The relationship between Participation in Number Lotteries and Gambling Addiction*, IVO/CVO, 2008