

**Submission to the Hearing of the Norwegian government on the new lottery law (Høring av ny lov om pengespill) from the Association of Charity Lotteries in Europe (ACLEU)**

*The members of ACLEU thank the Norwegian government for the opportunity to submit our views on the new lottery law. In our submission below, we will focus on the impact charity lotteries could have for Norwegian society and the government's channelisation objectives.*



- For centuries lotteries have been a successful fundraising tool throughout Europe. Nowadays, most European countries have state-owned lotteries that donate part of their income to the treasury and, like in Norway, to good causes. In some countries, privately operated charity lotteries are also allowed to make their contribution to society.
- We see state and charity lotteries co-exist in several European countries. The UK, Germany, Sweden, Ireland and the Netherlands are examples of countries where civil society organisations benefit from both the state-run lottery as well as from numerous charity lotteries. The hundreds of millions of public and private lottery funding, year after year, have contributed to a flourishing civil society in these countries.
- The introduction in the Netherlands of charity lotteries over 30 years ago, an example frequently referred to by several European state lotteries, has actually led to an increase in sales of both the incumbent state lottery as well as the new entrants. More importantly, returns to society have increased tremendously. More recently, this has also been the case in other countries like Sweden and the UK.
- The funding from charity lotteries is usually unrestricted, long-term, and free from political interference. This type of funding is crucial for charities to sustain their long-term impact, especially at a time when other forms of funding are under pressure because of the COVID-19 crisis. Moreover, charity lotteries operate on a not-for-profit basis.
- ACLEU praises the Norwegian government for allowing Norwegian civil society to benefit from this fundraising model too. However, the limits the licensed lotteries are facing are untenable. Next to a cap on prize money and marketing costs, the cap on turnover is very disturbing. To maximise the benefits for Norwegian NGOs the turnover limit of 300 MNOK should be lifted or at least relaxed.
- Not-for-profit charity lotteries should not be seen as a threat to the state operator. The real threat comes from commercial gambling operators, targeting the Norwegian market from abroad. Charity lotteries can help the Norwegian government in realising its objective of channelisation as they increase the attractiveness of the legal lottery offer, and will therefore reduce the potential client base of unregulated gambling companies. Once people play with one or more legal lottery operators, they are more likely to play the high-risk games with the only legal operator of short-odds games (i.e. Norsk Tipping).
- Another real threat to state lotteries is the shift in focus from the traditional lottery products with the highest returns to society, to short-odds games like scratch cards and different forms of remote gambling. We have seen this during the current license term of the National Lottery in the UK, with the percentage to good causes decreasing from 28% to 21% because of an increase in sales in scratch cards. Also in Denmark we have seen this negative trend

where after the opening of the online market in 2012, state lottery Danske Spil heavily invested in this new range of short odd products, thereby neglecting its traditional lottery games, with a decrease in returns to society as a result.

- Out of all gambling products, traditional lottery products are best suited for a high return to society, because of the relatively low prize payout compared to short odd games. Another reason to allow charity lotteries to grow is the fact that lotteries are low-risk games. The risk of addiction is negligible because the time between stake and outcome is relatively long (one or several weeks).
- To raise more funds for Norwegian charities, ACLEU requests a fair chance for charity lotteries on the Norwegian lottery market. Charity lotteries bring many benefits to society, without increasing problem gambling, and with an added value to the channelling objectives of the Norwegian government. We therefore ask the Norwegian government to lift -or at least relax- the cap on turnover of charity lotteries.

#### **About ACLEU**

The Association of Charity Lotteries in Europe (ACLEU) is an international non-profit organisation, established in 2007 to promote the charity lottery model and to give a voice to 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, 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 a number of European countries such as the Netherlands, Sweden, Germany, Norway, Ireland and Great 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 charity lotteries in the future. For more information see: [www.acleu.eu](http://www.acleu.eu)