

# **STATES OF JERSEY**



## **CHANNEL ISLANDS LOTTERY: ALLOCATION OF A PERCENTAGE OF PROFITS FOR 2007-2008**

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**Lodged au Greffe on 20th March 2008  
by the Minister for Economic Development**

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**STATES GREFFE**

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to agree, in accordance with the provisions of Regulation 4(5) of the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975, that all monies standing to the credit of the Channel Islands Lottery (Jersey) Fund which have not already been set aside by the Minister (representing 80% of the total Jersey portion of the profits of the Channel Islands Lottery from 2007 and 2008) should be paid to the Association of Jersey Charities for the benefit of the community and the charitable needs of the Island.

**MINISTER FOR ECONOMIC DEVELOPMENT**

## REPORT

The decision making process for allocating funds from the Channel Island Lottery is that the Minister has responsibility for establishing a reserve, but the States is responsible for the distribution of remaining funds that constitute the lottery's 'profit'. Accordingly the Minister for Economic Development, pursuant to his powers under Regulation 4(5) of the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975 and in consultation with the Association of Jersey Charities, has agreed to set aside as a reserve, 20% of the Jersey surplus for 2007 and 2008.

The remaining 80% profit, according to the provisions of that Regulation shall be applied in such manner and for such purposes of public benefit as the States shall from time to time by Act direct. It is the Minister's recommendation to the States that these funds be granted to the Association of Jersey Charities, with the 2007 surplus to be made immediately available and the 2008 surplus to be provided once the States Treasury has finalised the 2008 year-end accounts. This recommendation follows that agreed by the States in 2006 when £358,616 (80% of the total) was granted to the Association.

The Association now represents over 200 member charities and undertakes a valuable function by considering and allocating funding to the best prepared and worthy projects put forward by its members. In doing so, the Association continues to fulfil a vital social need.

The proposed transfer of 20% of the Jersey profits from 2007 and 2008 to the Accumulated Fund is to maintain a contingency for the Association of Jersey Charities should sales of the Channel Island Lottery decline. Scratch cards sales for 2007 showed a modest decline over the previous year, with Jersey sales showing a 4.08% downward turn. The Christmas Draw however, continues to attract significant public interest and support and 2007 saw the best result in the Lottery's history, with the top prize breaking the half million pound barrier. This represented an increase of 133,000 tickets (17.34%) on Jersey sales over the previous year.

Despite the introduction of an increased scratch card jackpot of £20,000 from £10,000 in 2007, there remains little doubt that an extension of the National Lottery to Jersey, offering larger cash prizes, would affect the profitability of the C.I. Lottery. The Minister's policy, therefore, remains to introduce the National Lottery during the next licensing period (2008/9) but to retain the C.I. Lottery Christmas Draw and other Draws as may be determined. These proposed changes will undoubtedly lead to a period of consolidation and importantly, the widening of the criteria for receiving good causes funding. The Minister has, therefore, consulted with and gained the agreement of the Association to use his powers under Regulation 4(5) to retain a reserve for the exclusive future benefit of the Association of Jersey Charities.

There are no other financial or manpower implications for the States arising from this proposition.