

# STATES OF JERSEY



## CHANNEL ISLANDS LOTTERY: ALLOCATION OF PROFITS FOR 2009–2010

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Lodged au Greffe on 24th September 2009  
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 90% of the total Jersey portion of the profits of the Channel Islands Lottery from 2009 and 2010) 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 Islands 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, 10% of the Jersey surplus for 2009 and 2010.

The remaining 90% 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. This recommendation follows that agreed by the States in 2008 when £445,414 (80% of the total) was granted to the Association, albeit that the Association has requested the Minister to now retain a 10% reserve rather than the previous 20%.

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 10% of the Jersey profits from 2009 and 2010 to the Accumulated Fund is to maintain a contingency for the Association of Jersey Charities should sales of the Channel Islands Lottery decline. Scratch cards sales for 2008 showed a modest decline over the previous year, with Jersey sales showing a 1.37% downward turn. The Christmas Draw however, continues to attract significant public interest and support and 2008 saw the best result in the Lottery's history, with the top prize breaking the half million pound barrier for the second time. This represented an increase of 160,000 tickets (18%) on Jersey sales over the previous year.

Despite the scratch card jackpot of £20,000, there remains little doubt that offering larger cash prizes needs to be considered to raise the profitability of the C.I. Lottery.

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.

### **Financial and manpower implications**

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