



Crannchur Náisiúnta
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Opening Statement from Andrew Algeo, Chief Executive Officer, Premier Lotteries Ireland to the Public Accounts Committee, Dáil Éireann.

Thursday, 8th December 2022

Mr Chairman, Members of the Committee,

PLI welcomes the opportunity to address the Committee on Chapter 19 of the Report on the Accounts of the Public Services entitled “Exchequer receipts from National Lottery ticket sales”. I am joined this morning by my colleague Cian Murphy, Chief Product & Digital Officer at PLI.

In 2014, PLI paid €405m to the State for the license to hold and promote the National Lottery until 2034. This is subject to oversight by the Regulator of the National Lottery who monitors our compliance with the Licence and the National Lottery Act with extensive enforcement powers, so that the integrity of the National Lottery is safeguarded, and that the revenues generated for Good Causes are as great as possible.

The Regulator is also responsible for managing and controlling the National Lottery Fund from which funding for prizes, the amount remitted for Good Causes funding and the operator’s running costs are paid.

The National Lottery was established by the State in 1986 as a State Lottery. It has proven hugely successful, generating over €6bn for Good Causes throughout the country.

Since PLI commenced operation in 2014, the National Lottery has raised approximately €1.7bn for Good Causes while increasing the annual prize monies for players by a half. Last year alone the amount of money raised for Good Causes was €304m, the highest level since the National Lottery was established.



Príomh-Chrannchuir Éireann CGA, Premier Lotteries Ireland DAC.

Cuideachta Gníomhnaíochta Ainmnithe, Cláraithe in Éirinn, Uimhir Chláraithe na Cuideachta 527900. Seoladh Cláraithe: Sráid na Mainistreach íochtarach, Baile Átha Cliath, D01 Y1X2.

Stiúrthóirí: D McRedmond (Éireannach), P Quinn (Éireannach), V Jupp (Éireannach), W Pickup (Nua-Shéalannach), A Algeo (Éireannach), D Kelly (Éireannach), D Byrne (Éireannach), I Echave (Spainnis), J Mendonca (Ceanadach).

Designated Activity Company, Registered in Ireland, Company Number 527900. Registered Address: Abbey Street Lower, Dublin 1, D01 Y1X2.

Directors: D McRedmond (Irish), P Quinn (Irish), V Jupp (Irish), W Pickup (New Zealander), A Algeo (Irish), D Kelly (Irish), D Byrne (Irish), I Echave (Spanish), J Mendonca (Canadian).



The effect of the License is that as sales have grown so have the amounts disbursed to Prizes and Good Causes by roughly the same proportion. The National Lottery operates in an intensively competitive market where we face an array of competing products and platforms continually seeking to persuade the public to otherwise spend their discretionary income. However, unlike the National Lottery, our competitors don't return 90% of their sales to the community through Good Causes funding, prize funds, and commission to local retail agents. As such, it is essential we promote our National Lottery to ensure its continued success into the future, while operating under a strict Advertising Code of Practice.

When the State designed our license, the clear decision was taken to ensure that expired unclaimed prizes do not go to the profits of the operator but instead are repurposed to promote and sustain the National Lottery.

This approach reflects similar practices adopted across the globe, where State Lottery licences recognise the criticality of promoting their national lottery and typically stipulate that promotion of the lottery is not left to the discretion of the operator, but instead is funded directly or indirectly from ticket sales.

For instance, in the UK, the Government chose to fund the promotion of the National Lottery through a combination of a set percentage of ticket sales (1.08%) and a portion of Good Causes funding – in the most recent yearly figures for the UK this amounted to £160m or 2% of sales. In Ireland, the funding for promotions could have been taken from ticket sales or Good Causes funding, but instead the State decided to use funds accumulated through expired unclaimed prizes.

As the C&AG notes in his Report, the expired unclaimed prize money, must be spent on the promotion of the lottery. It should also be noted that the proportion of prize funds going unclaimed has almost halved since PLI began operating the National Lottery.

As the licensed operator of the National Lottery, PLI shares the State's objective to preserve, protect and grow the National Lottery, with the interests of players, and Good Causes at the core of our operations. The license model, operated by PLI with oversight from our Regulator has proven successful, with ticket sales growing by an average of 7% per year since 2015, a turnaround from the previous seven-year period during which ticket sales shrank by 20%.



This reversal in fortunes of the National Lottery must be seen in the context of operating in a fiercely competitive market, facing significant challenges to maintain ticket sales, including against largely unregulated competitors, many of whom piggyback on the National Lottery without making any contribution to Good Causes.

I am sure that members will recognise the positive impact of National Lottery funding in your own localities – last year alone 6,800 community groups, charities and sporting bodies throughout the country benefitted from the €304m allocated to Good Causes and that made a meaningful difference to their activities and operations.

Thank you for your attention and I am happy to take any questions.