



**Ref: S01218 PAC33**

Mr. Sam Keenan

Committee Secretariat

Committee of Public Accounts

03 March 2023

Dear Mr. Keenan,

I refer to your letter dated February 20<sup>th</sup> 2023 in relation to issues arising from the meeting of the Committee of Public Accounts on Thursday 24<sup>th</sup> November 2022. The Department's response to the two issues arising is set out below.

Yours sincerely,

David Moloney

A handwritten signature in dark ink, appearing to read 'David Moloney', is written over a horizontal line.

Secretary General

## **1. Whether consideration was given to establishing a single regulator for both the gambling sector and the National Lottery**

The Department can confirm that consideration was given to the merits and demerits of a single regulator for both the gambling sector and the National Lottery. This included legal advice from the Office of the Attorney General (AGO) on the matter and consideration of the views of the Office of the Regulator of the National Lottery (ORNL) and the National Lottery operator.

As part of the Department's deliberations, a number of potential benefits were identified including those arising from a more comprehensive office with greater resources and investigative powers. Negative potential consequences were also identified including, but not limited to, those related to the self-funding nature of the ORNL and positioning gambling and lottery under one umbrella, given the public perception of the National Lottery which is generally regarded as different from gambling.

Ultimately, in the relevant proposals to Government, the Minister for Justice ruled out a merger in the short term.

## **2. A note on the addition of two balls to the lottery, including who approved the decision**

Under the terms of the legislation governing the National Lottery, a Lottery game change must be approved by the Regulator before a new game can be introduced or an existing game changed. A request for a game change under the National Lottery Acts was submitted to the Department of Public Expenditure, NDP Delivery and Reform (then the Department of Public Expenditure and Reform) in February 2014.

The decision sought by the operator was to increase the 6/45 matrix to a 6/47 matrix. Prior to the appointment of the new Lottery Regulator in November 2014, the Minister for Public Expenditure, NDP Delivery and Reform was the lottery regulator. The game change was considered by the Department over 8 months of deliberations and sanction issued in October 2014.

The game change request was approved primarily for considerations relating to the long-term sustainability of the lottery and the maximisation of revenue for Good Causes. Lotto game sales had declined substantially in the crisis period and further reduced sales of the core games would seriously inhibit the ability to grow funds generated for Good Causes.

The accepted analysis was that the Lotto game was losing public interest as the jackpot was considered too low and the solution proposed was more and bigger prizes which would be made possible by changing from the current 6/45 matrix to a 6/47 matrix.

In considering the game change proposals, the Department's primary concern was the potential effect on revenues from the proposed changes and any consequent adverse effects on the funds available for Good Causes.