



Lotto Contribution to Earthquake Relief– Q & As

Why can't the Powerball jackpot be donated directly to the Christchurch earthquake relief fund?

NZ Lotteries has sold many hundreds of thousands of tickets to people for the Lotto draw at the advertised jackpot amount – it would be unfair to these customers and illegal for us to then take away the jackpot and donate it to earthquake relief.

The allocation and distribution of Lotto prizes are governed by strict game rules, which are gazetted by Government. These rules do not allow prizes to be reassigned to any other purpose.

What is a special purpose lottery?

NZ Lotteries is permitted to promote a New Zealand lottery for a community purpose as a 'Special Purpose Lottery' under the Gambling Act 2003. This would be the first such lottery to be held in New Zealand since NZ Lotteries was established in 1987.

Under the Act, NZ Lotteries must be directed in writing by the Minister of Internal Affairs to run such a lottery.

Will the draw be a conducted as a normal draw?

The 5 March draw will be conducted as usual with any prizes won allocated and distributed as according to the Lotto Game Rules.

How much could this special draw raise?

This is difficult to predict. We would expect to raise a minimum of \$5 million, but sales could be a lot higher if our customers get behind this particular draw.

Our record sales weeks have been for "must be won" draws, when weekly Lotto sales reached near \$30 million.

Why doesn't NZ Lotteries donate all of the sales this week?

Lotto sales go to a number of places, with the largest share funding the week's prize pool, not to mention our retailers' commission, and tax. We still need to fund these allocations, so we can't afford to donate all the sales.

All of the profit from the draw will be put towards the donation, as well as some of the profit already made by NZ Lotteries this financial year.

Why don't you donate sales for more than one week?

The special purpose lottery will be in place for one week, otherwise NZ Lotteries risks falling short on delivering its budgeted end of year contribution to the NZ Lottery Grants Board. Many thousands of community groups and nationwide charitable organisations rely heavily on this source of funding.

How are Lotto sales normally split out?

On average, for every dollar spent, 56 cents goes towards prizes, 10 percent goes to the Government as tax, 7 percent is the retailer's commission, 7 percent is NZ Lotteries' operating budget, and the remaining 20 percent is profit.

Where does the profit from Lotto go?

NZ Lotteries' profits are transferred to the NZ Lottery Grants Board for distribution to the New Zealand community.

In the year ended 30 June 2010, NZ Lotteries transferred \$159 million to the NZ Lottery Grants Board. The NZ Lottery Grants Board supports communities by funding a range of social, community, arts, heritage, sports, recreation and health research services and projects. SPARC, Creative NZ and the NZ Film Commission also receive large amounts of funding. More than 5,000 community groups receive funding each year.

If someone wins the Powerball prize, will they be asked to donate their prize?

Many of NZ Lotteries' big winners are already very generous with their winnings. We will certainly ask them if they wish to contribute.

What Lotto stores are trading in Christchurch?

We currently have 34 Lotto stores that are open and trading, including Hornby Mall Lotto (our busiest Christchurch store) and 42 that have suffered damage to buildings or cabling and are unable to open.