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Mr. L. Mackintosh
Department for Culture, Media & Sport
2-4 Cockspur Street
London SW1Y 5DH

25th February 2004

Dear Sir

New Inquiry: Reform of the National Lottery

As an executive of the Dutch Charity lottery operator Novamedia, I have been made aware of your request for comment from the Lotteries Council on the proposed reforms of the National Lottery.

Our interest in the matter arises because we are the second largest lottery operator in Holland with annual sales of 764.2 million Euro and are currently examining the possibility of establishing a charity lottery in the UK.

We felt it may be helpful to share with your committee the experience we have had in Holland where our decision in 1991 to launch a competitor lottery to the Dutch National Lottery has resulted in sustained growth of both the National Lottery and our own.

Let me briefly introduce our organization to you first. Novamedia was founded as a not for profit company in 1983 in Amsterdam, specialized in operating and servicing lotteries for charitable causes. During its existence as a lottery operator, Novamedia has collected some 3 billion Euro for a total of 114 charity organisations with annual donations showing stable growth (see graph below for the donations made by the Postcode Lottery, one of Novamedia's lottery concepts).

When Novamedia started their lotteries the National Lottery feared they might lose market share. But 14 years of experience has shown that even heavy marketing of our concepts has not cannibalised the sales of the National Lottery. On the contrary: the sales of the National Lottery were declining before we started, but has shown sustained growth, as has the Postcode Lottery, from the moment we were on the market (see graph below).

We believe that the attitude of Government in the UK has been unduly protective of the UK National Lottery and that the lack of effective competitive stimulus has been unhelpful in achieving the overriding common objective of maximising the amounts of monies raised for good causes.

We note that it is being proposed that a competitive element be introduced by permitting additional operators to bid for elements of the National Lottery products other than the main draw(s).

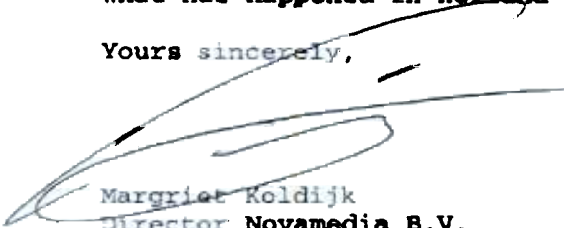
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~~K. Novamedia~~

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We would be happy to make ourselves available to appear before you to provide you with an opportunity to gain a deeper understanding of what has happened in Holland should this prove helpful.

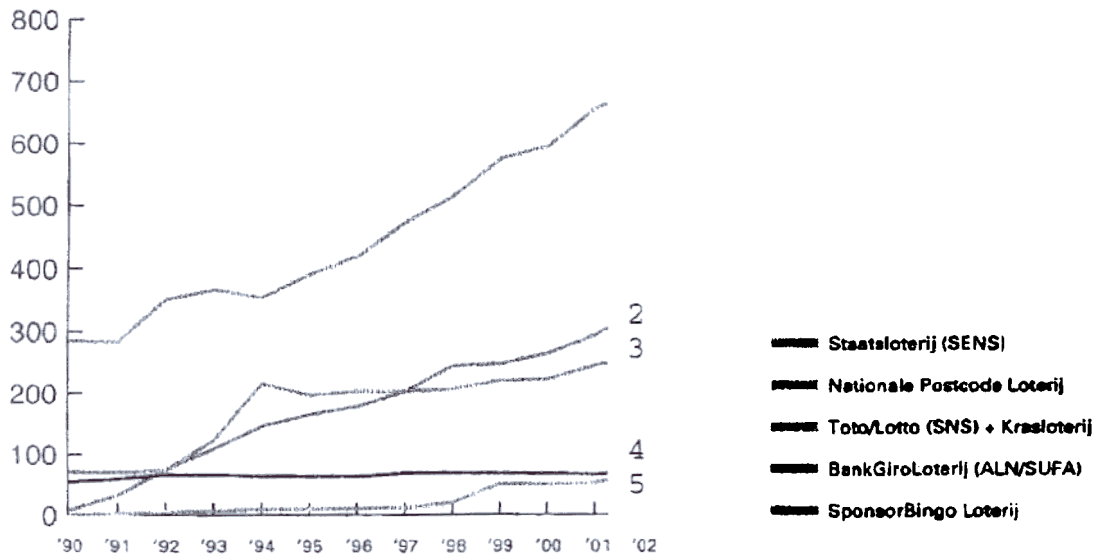
Yours sincerely,



Margriet Koldijk
Director Novamedia B.V.
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The Netherlands



Annual sales of the Dutch Lotteries in millions of euro's over the years 1990 - 2002



- 1 = National Lottery
- 2 = National Postcode Lottery
- 3 = Lotto and Scratch Lottery
- 4 = Bank Giro Lottery
- 5 = Sponsor Bingo Lottery


Beneficiaries of the National Postcode Lottery

	2002	2001
	€	€
Fixed beneficiaries		
Refugee and Exiles Counsel	13.457.043	12.273.716
Nature conservation	24.382.307	13.613.406
Oxfam	16.179.724	16.493.872
DOEN Foundation	23.171.070	22.148.147
Doctors without borders	18.192.562	14.996.397
Worldwide Fund for Nature	16.179.724	17.378.744
Unicef	<u>16.179.724</u>	<u>17.265.299</u>
	127.742.154	114.169.581
Other beneficiaries		
The 12 provincial nature conservation org.	12.500.000	11.344.508
Red Cross	5.000.000	3.630.242
Amnesty International	4.000.000	3.630.242
Greenpeace	2.500.000	2.268.901
Nature conservation The Netherlands	2.500.000	2.268.901
The Provincial Environmental foundation	2.500.000	2.268.901
People in Need	4.411.000	2.268.901
Refugee Foundation	2.500.000	2.268.901
Floriade 2002	-	2.268.901
Bird Protection (special project)	2.294.133	-
Plan	2.000.000	1.815.121
Animal Protection	2.000.000	1.815.121
Foundation Nature en Environment	2.000.000	1.815.121
Terre des Hommes	2.000.000	3.766.376
Society for Protection of Birds	2.000.000	1.815.121
IVN natuur- en milieueducatie	1.500.000	1.361.341
Lepra Foundation	1.500.000	1.361.341
Friends of the Earth	1.500.000	1.361.341
"Wadden" Society	1.500.000	1.361.341
Royal Orange Foundation	-	1.008.400
Simavi	1.000.000	907.560
"Goois" Nature reserve	1.000.000	2.268.901
Liliane Foundation	1.000.000	1.860.499
AMREF Flying Doctors	3.075.000	907.560
SOS-Children villages	2.824.000	907.560
War Child	2.655.876	907.560
IUCN	1.000.000	907.560
Stop Aids Now!	1.000.000	907.560
Peace Parks Foundation	1.000.000	-
UNHCR	1.000.000	-
Early Bird campaign	750.000	-
"Ark" Foundation	500.000	453.780
Development cooperation Foundation	500.000	453.780
Nelson Mandela Children's Fund	500.000	453.780
Little Earth Foundation	500.000	453.780
Prince Claus Foundation	500.000	453.780
Monkey Foundation	500.000	453.780
Refugee Students Foundations UAF	500.000	453.780
University for Peace	500.000	453.780
Save the children Nederland	500.000	-
World Population Foundation	<u>500.000</u>	-
Total other beneficiaries	75.510.009	62.904.022
Total proceeds to charities	203.252.163	177.073.603
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