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## Are we recovering from the recession?

NZ Lotteries has just announced it's largest-ever transfer of \$189.3 million to the NZ Lottery Grants Board, \$32.4 million more than last year.

This result is due to a very exceptional year for NZ Lotteries, with sales and net profit results reaching new record highs in 2008/09. This was driven largely by two phenomenal jackpot runs for Lotto Powerball and Big Wednesday which culminated in 'must be won' draws. Having two such draws in one financial year is a very unusual event, which is unlikely to be repeated in the next decade.

Sales for 2008/2009 were \$907.7 million, 16.7% more than last year. Net profit was \$189.3 million, \$36.8 million, or 24.1%, above budget and \$32.4 million, or 20.7%, ahead of 2007/2008.

Taking out the effect of the two jackpot runs, NZ Lotteries' week to week sales are still holding up well in the current climate, with New Zealanders still choosing to play lottery games.

The news comes on the back of already increased funding allocations to national and regional community committees which have been boosted by \$2.4m to \$40.9m from the total fund allocation of \$163.9m for the 2009/10 financial year which were announced in June.

The statutory bodies - Creative New Zealand, New Zealand Film Commission, New Zealand Film Archive, and Sport and Recreation New Zealand were to receive \$64.7m - up \$1.4m on last year while a further \$58.3m was to go to national, specialist and facilities committees.

While gaming machine expenditure in the country's 1500 pubs and clubs in 2008-2009 was 5.3 per cent lower than the previous year, it's still less than some have feared. Spending dropped from \$938.3 million in the 12 months ended 30 June 2008 to \$889 million at 30

June 2009, the lowest outturn since 2001-02 (estimated at \$777 million).

There were also fewer licence holders, gambling venues and gaming machines at the end of June 2009 compared with 12 months earlier. Licence holders fell 7.5 per cent from 415 to 384, venues dropped 3.3 per cent from 1552 to 1501 and gaming machines were down 1.9 per cent from 19,856 to 19,479.

However expenditure in the three months to 30 June 2009 rose 4 per cent to \$217.3 million from \$208.7 million in the first quarter of 2009.