



lotterywest

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Sharing your stories

Annual Report 2009

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Cover – Children enjoying the Kids Future Club
run by Jalaris in Derby, Western Australia

Statement of Compliance



Hon C J Barnett MEd MLA
Premier; Minister for State Development

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit to the Premier; Minister for State Development, for information and presentation to Parliament, the Annual Report of the Lotteries Commission for the financial year ended 30 June 2009.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and the Lotteries Commission Act 1990 (as amended).

Clyde Bevan
Chairman
Accountable Authority
31 August 2009

Roger Lewis
Commissioner
Accountable Authority
31 August 2009





Volunteer Sue with three joeys being cared for at Kanyana Wildlife Rehabilitation Centre

Lotterywest (the Lotteries Commission of Western Australia) operates according to the provisions of the Lotteries Commission Act 1990 (as amended), as a statutory authority responsible for selling lottery games and distributing the proceeds for the benefit of the Western Australian community.

Overview

Our Commitment

To contribute to the vision of Western Australia to provide the best opportunities for current and future generations and to:

- perform to the highest ethical, professional, commercial and governance standards.
- work in partnership with others who are committed to strengthening and building the quality and well being of community life in Western Australia and the enhancement of the lottery business, nationally and internationally.
- operate collaboratively and ethically to develop productive working relationships with our retailers who represent Lotterywest to our players, with our beneficiaries and with all our stakeholders.
- develop a corporate culture that encourages the unique contribution of each person.
- make evidenced based and ethical decisions giving consideration to social, economical and environmental factors.

Our Values

We are a values driven organisation represented by four core attributes

Rewarding

We commit to do our utmost to ensure that those who play our games, seek our grants or have any kind of business dealings with us, find their experience a valued and enriching one.

Inspiring

We motivate, encourage and inspire ourselves and others to achieve greater things for the benefit of the community of Western Australia.

Trusted

We are honest, reliable and trustworthy, we conduct ourselves professionally with the highest standards of integrity in all our business operations.

Engaging

We actively seek relationships with all our stakeholders based on the principles of mutual respect which enhance the achievement of their goals and ours.

Our Vision

To be a leader in building a better Western Australia.

Our Purpose

To enhance the quality of life and well being for all Western Australians through our funding and support by operating our lottery business with excellence and integrity.



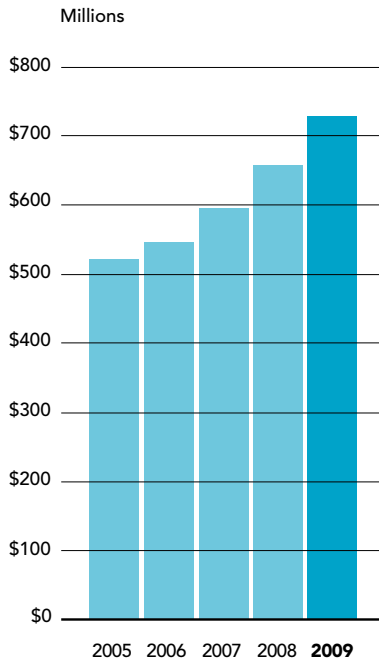
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Highlights



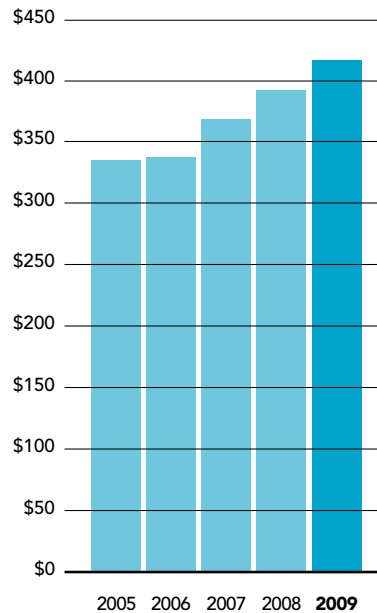
Record sales means a record contribution back to Western Australia.

Total Sales



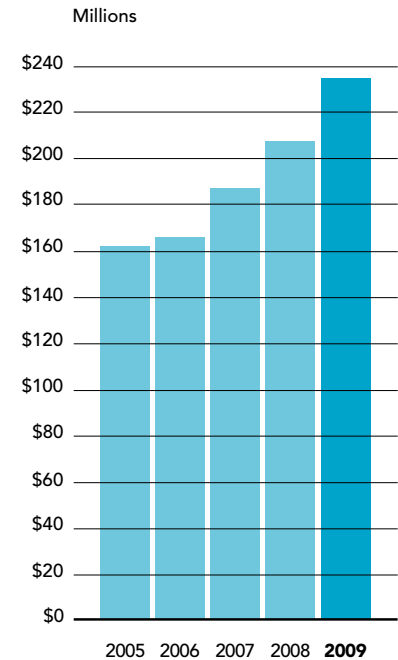
Annual Lottery Sales

Per capita (adult)



Total Funding

Providing to the Western Australian community



Our Games

- Total sales of \$725 million
- Increase of \$71 million (10.8%) on last year
- Total annual sales per adult of \$416.61

Our Retailers

- 494 online retail outlets
- 59 Scratch'n'Win only outlets
- \$59.5 million paid in commission to retailers

Our Community

- A total of \$234 million was raised for the Western Australian community
- \$107.1 million returned to Hospitals
 - \$13.4 million returned to Arts
 - \$13.4 million returned to Sports
 - \$4.5 million to the University of WA for the Perth International Arts Festival
 - \$5.0 million to ScreenWest for the support of the screen industry in WA
 - \$90.5 million distributed to charitable and community groups
 - 1,322 grants approved to 1,082 different organisations

Highlights

Record sales means a record contribution back to Western Australia.



Sales per product.





*Children enjoying a workshop at
Spare Parts Puppet Theatre*



Chairman's Introduction



On behalf of the Board of Lotterywest, I have great pleasure in submitting this year's annual report.

As the report documents, this was the best year ever in the history of Lotterywest in terms of revenue raised for our beneficiaries. These results were achieved in an extremely challenging economic climate and in the context of the most significant business systems change implemented by the organisation.

The success of the year was celebrated with a special event held in July to launch a formal history book which tells the story of the Lotteries Commission of Western Australia from 1932 to 2008 and to celebrate this milestone achievement of Lotterywest returning \$100 million to charitable and community groups we directly support. At this event we honoured just some of the many groups supported with Lotterywest grants during 2008/2009.

The event included the presentation of the grant cheques and a gift by the Premier to ten of those groups. Hearing the grant recipients tell the story of the work of their organisation in a very personal way and the benefits the grant will bring to the people they serve was inspirational to all of us.

The Board and staff of Lotterywest remain committed to the achievement of the objectives of the founders of the Lotteries Commission as documented in our history – to operate a responsible state lottery for the people of Western Australia and to use the revenue raised for the benefit of our whole community.



The Board members and I take our governance responsibilities for Lotterywest very seriously. This report demonstrates that the organisation is managed well and has achieved outstanding results this year. I thank my fellow Board members for their contribution in the past year and acknowledge the diligence of all members of the Lotterywest staff.

Clyde Bevan
Chairman



*Children enjoying the Kids
Future Club in Derby*

Chief Executive Officer's Report



For another year I have the pleasure to report a record return to Western Australian health services, arts, sports, charities and other community groups who are the ultimate beneficiaries of Lotterywest's business activities.

"So without entering into the question of whether it is the best method by which monies can be raised for charitable purposes, whether we should rely entirely upon voluntary effort or upon some form of taxation, I'm rather disposed to face the position by legalising lotteries by asking Parliament to view it from that stand point and see if we cannot by some means arrive at the conclusion that we can materially assist charitable organisations worthy of assistance and at the same time very effectively control this particular form of gambling and prevent it from generating into abuse."

[The Hon John Scaddan, Minister for Railways, 6th October 1932, Hansard record of the second reading speech when the Lotteries Commission Bill was introduced into the Western Australian Parliament, quoted in 'A Proper Foundation' A history of the Lotteries Commission of Western Australia, 1932-2008, by Sian Supski published 2009].

OVERVIEW

The Hon John Scaddan, as a member of the Methodist Church, was a strong advocate of temperance which included an abhorrence for the evils of gambling. From everything he said in introducing the Lotteries Control Bill during 1932, he clearly felt deeply ambivalent about the whole initiative of the government in setting up a state authority to offer an official and legal form of gambling.

He was nevertheless persuaded by the need to control the increasing levels of illegal gambling that were happening across the community at the time, and to find an acceptable means of raising money for charities during the height of the Great Depression in Western Australia. It was the latter purpose which was the driving force

behind the establishment of the Lotteries Commission.

History records that he also had to deal with considerable opposition to the Bill including from a member of the upper house, Richard Moore, MLC who said 'We know very well that the gambling spirit prevails in Australia; but to make lotteries lawful and so condone an evil in order that good may result is wrong'.

Scaddan persisted in the face of this opposition and carefully worded his intent to introduce lotteries in Western Australia with a 'proper foundation and build on that foundation something that will be in the interest of the community generally'.

This story of the establishment of the Lotteries Commission comes from the history of our organisation aptly entitled 'A Proper Foundation' which was formally launched by the Premier, the Hon Colin Barnett MLA in July 2009 to mark the end of our 75th anniversary year. This publication by historian Dr Sian Supski is a carefully researched story of Lotterywest which documents how and why we were established. It explores the development of the lottery side of the business over those years, together with the growing story of our role in supporting the community of Western Australia.

Dr Supski's history records Mr Scaddan as further saying to Parliament - 'I believe we can conduct lotteries in Western Australia without in any way being offensive to those who have conscientious objections to such a practice, I think we can conduct lotteries that will provide a fair deal for those who want a little gamble, and will bring to needy institutions a fair amount of money that can easily be obtained



from people who will not object to the money being used for such a purpose. Subscribers will know that only a certain amount of their money will be returned in the form of prizes, and that the balance, will go to charitable organisations.'

['A Proper Foundation', p27].

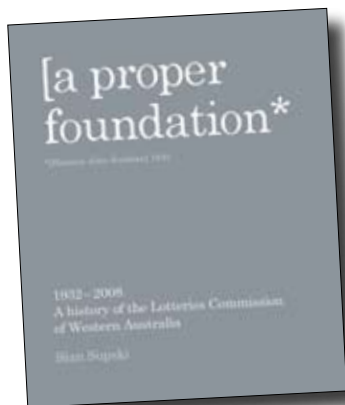
It has been as a result of the support of successive Western Australian Governments that Lotterywest has been able to build on the 'proper foundation' which Mr Scaddan spoke of, and to maintain the vision of those who established us. Revenue raised by the lottery games supports the needy, as well as enhances the wellbeing of all Western Australians. It is against that core charter that we report on our activities in our annual report each year.

Last year, 2008, Lotterywest celebrated the milestone of the 75th Anniversary year since it opened its business and ran its first lottery. The year of celebration began in March with a special event to mark the first lottery draw held on 24th March 1933 and the first Board meeting to distribute the proceeds which was held a few days following the draw. This celebration was held in the Perth Town Hall, as was the first lottery draw in Western Australia, with

Chief Executive Officer's Report



All Prizes Paid in Full



A Proper Foundation

guests representing the many community organisations supported over the years, representatives of our retail network and a wide range of dignitaries including His Excellency the Governor Dr Ken Michael and Mrs Michael in attendance.

The anniversary year continued with a special mid year dinner celebration which included an announcement of last year's record results by the Minister. All Lotterywest retailers and staff were invited together with representatives of our beneficiaries and other key stakeholders.

Another important event during the 75th Anniversary year was our second staff conference. This conference had the key focus of reflection on the achievements of the past two years since we began the major business change project and on our plans for the next phase of business improvements. Our key note speaker was Professor Jan McMillen whose presentation was on the changing environment of the gaming industry in Australia and internationally.

The year of celebrations continued with a cocktail party at Government House Ballroom at which the Premier, the Hon Colin Barnett MLA as Minister for Lotterywest launched a picture history book of Lotterywest entitled 'All Prizes Paid in Full'.

This was a particularly special occasion being the Premier's first official function as Minister for Lotterywest. Following the book launch, guests attended the annual West Australian Symphony Orchestra 'Symphony in the City', a free event supported by Lotterywest which is growing in public popularity.

The final element concluding the anniversary year was the launch of the detailed history publication 'A Proper Foundation'.

So it is in the context of the events of 2009, spent both reflecting on and celebrating our past, while at the same time working to ensure that our business

success for the benefit of the Western Australian community will continue into the future, that we installed our new technology platforms for the gaming system and for the business. As well as achieving both successfully, I am very pleased to report that Lotterywest again achieved record sales results, the highest increase in the past 14 years (since 1995/96) and so raised a record amount for our beneficiaries.

The money raised by Lotterywest touches virtually every person in Western Australia. Half the funds raised go to support our State health services. Other fixed amounts prescribed under the Act go to support our State sporting organisations, including the Western Australian Institute of Sport through the Department of Sport and Recreation. The same percentage of net subscriptions (sales minus prizes) is distributed by the Department for Culture and the Arts where it provides core funding for almost 50 of the State's arts organisations including our West Australian Symphony Orchestra, West Australian Ballet, West Australian Opera and Black Swan State Theatre Company.

As well as those specifically prescribed allocations, Lotterywest also distributes a further amount of our net subscriptions directly to thousands of Western Australian charity and community groups both large and small. The amount available for these direct grants also includes prizes unclaimed after 12 months, interest earned on investments and any other funds not required by Lotterywest for the operations of our business. Lotterywest strives to operate our business efficiently, driven by the objective of optimising the funds available for distribution to our beneficiaries.

Our Grants Role

The range of organisations supported by Lotterywest is considerable. The legislation under which we operate is designed to give the Board the broadest charter possible to respond to the needs of the Western Australian community.

We of course continue our traditional role of supporting organisations serving the most needy in our community, as well as providing major grants for the operating costs of the Perth International Arts Festival and ScreenWest, for the support of the local screen industry, as prescribed specifically by a 1994 amendment to the Act under which we operate today.

Our grants are also available for almost every kind of purpose, ranging from animal refuge organisations and services to the needy, to the preservation of our State's heritage, both natural and built, and festivals and special events.

The current economic climate has created considerable challenges for our hard working Grants and Community Development team in responding effectively and quickly to the changing and increasing needs of the community. This year as a result of our record sales, the team was faced with the very rewarding challenge of distributing a record amount in our grants program of \$100 million to 1082 different community groups, including the major grants to the Perth International Arts Festival and to ScreenWest.

One Hundred Million Dollars to WA

Lotterywest celebrated an important milestone in 2008/09 returning \$100 million in direct grants back to local community groups and the charity sector.

200 guests joined the Premier, The Hon Colin Barnett, at the 'One hundred million dollars to WA' celebration at the Perth Town Hall in July 2009.

Ten organisations were invited to receive their grant cheques and to share stories from their beneficiaries and the difference they make each day to the lives of Western Australians.

One hundred million dollars to Western Australia



Friends of Kings Park

The 'Place of Reflection', to be established within Kings Park will be a special space where people who have suffered the loss of a loved one can seek understanding, peace, hope and renewal. Many families are never given the chance formally to farewell a loved one and this place will provide a special sanctuary for healing.

This very important project has been led by a consortium of groups whose mission is to help those dealing with loss and grief and includes the Association for Services to Torture & Trauma Survivors, the Compassionate Friends, the Healing Hearts Foundation, SIDS and Kids, and Soroptimists International South Perth.

These groups have been working with the Friends of Kings Park who will play an active role in the development of the site. It is appropriate that the 'Place of Reflection' is in the heart of our city in a unique natural treasure.

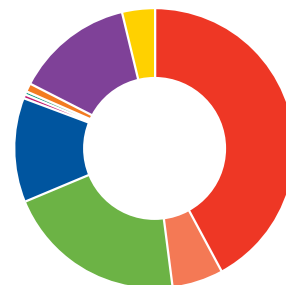
The group believe this project is unique in the world. They have been unable to find a similar kind of place of memorial or contemplation in any other city.

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Chief Executive Officer's Report

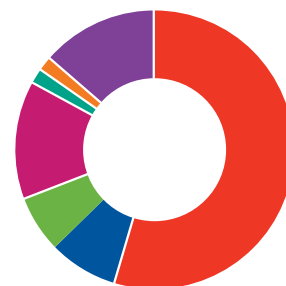
Where the money came from 2008/09

● Saturday Lotto	\$316.8m	● Soccer Pools	\$1.5m
● Monday & Wednesday Lotto	\$44.4m	● Cash 3	\$8.3m
● OZ Lotto	\$156.8m	● Scratch'n'Win	\$102.4m
● Powerball	\$91.6m	● Other Income	\$28.2m
● Super 66	\$3.0m		



Where the money went 2008/09

● Prizes	\$406.4m	● Sports	\$13.4m
● Retailers commission	\$59.5m	● Arts	\$13.4m
● Operational expenses	\$49.3m	● Direct grants	\$100.0m
● Hospitals	\$107.1m		



Making a well researched and careful recommendation to the Board on how this kind of funding can be used wisely and with optimal benefit while at the same time responding quickly and responsively to the sometimes urgent needs of our grant applicants is the responsibility of the grants team. How this has been achieved and the organisations which have been supported this year are documented in detail further in this report.

The grants team do more than simply grant assessments and grant processing. Their expertise in the community sector with the State wide overview that our grants role provides, means there has been an increasing expectation by the community sector on the members of the grants team to take a stronger leadership role.

The grants team's support extends to both helping individual community organisations in the development of their projects, as well as being invited to work closely with government agencies in the development of their broader and sector wide policies. This role has increased since the election of the new government

which has been reviewing a wide range of policies and practices in relation to the community sector.

The grants team have recently moved to a 'relationship' model of work allocation. This means that each region and/or sector has a person nominated as their point of contact at Lotterywest whose responsibility it is to develop specialist knowledge of that region and sector. This new arrangement has clearly been welcomed by the community sector.

These developments in our policy and leadership role are also documented in the grants section of this report.

Business Results

As already reported, we had a record sales result this year aided in the last week of the financial year by the 'wind fall' of a \$90 million OZ Lotto jackpot draw on 30th June. For most of the year our sales were trending up between 5% and 8% on the previous year. The increase was driven primarily by the performance of OZ Lotto which had already experienced a good run of jackpots during the year in the lead

up to this record draw. The end of year result was further enhanced by increased sales in the still relatively new Monday/Wednesday Lotto. The performance of that product was improved by the addition of Tattersall's to the game in October which provided a bigger Division 1 prize offering, the introduction of a Superdraw program and coincided with a small price rise to the game.

It is tempting to interpret the sales increase, as players' response to the economic downturn which began so sharply in September last year. Careful analysis of the reasons for the increased level of sales does not necessarily support that particular interpretation given that the sales trend, until the unique \$90 million OZ Lotto jackpot, was essentially an extension of the trend of the previous years. Overall both lottery sales and the newsagency business generally seem to be not directly influenced by the overall economic climate, although we do see variations in performance throughout the State, particularly in regional areas more immediately and directly impacted by fluctuations in the resource sector.

Policy Matters

It has been very interesting to monitor the changing trends in the gaming industry and changing gaming policies by other Governments, including those changes which specifically affect the lottery business. Globally we have seen the trend towards deregulation of the gaming industry driven in many places by the development of internet gaming.

The other marked trend has been the consolidation of the industry, both of the operators and also of the suppliers of gaming systems and services, together with a blurring of roles where providers of gaming systems and services may also be the holders of the licence to operate a lottery. One Australian example of this is Intralot, a company based in Athens, Greece which is the provider of Lotterywest's gaming system and terminals. This company's Australian division holds one of the two licences to operate the lottery in Victoria and Tasmania.

The other trend both internationally and nationally, is for governments to consider the realisation of a State asset by the sale of the licence to operate their State lottery.

Lotterywest is a member of a business consortium, known as the Bloc, comprised of all the other Australian lotteries (except Intralot which is not a member of the Australian Bloc). It is through that consortium that all the games of Lotto, Super 66 and also our sports product Soccer Pools are managed.

Earlier this year the NSW Government announced that it was planning to privatise their State lottery and expected to commence the tender processes by the latter half of the year. The Government of Western Australia has been public in its position that it will not follow this trend towards privatisation. There continues to be clear support for the structure of Lotterywest as an



CEOs and the marketing teams from the Australian Lottery Bloc at their Perth meeting in September 2009

organisation owned by all Western Australians, and for the retention by Lotterywest of the responsibility for the direct distribution of grants to local charity and community groups. This particular function is unique in Australia and indeed for most of the lotteries of the world.

The other important public policy development of interest is the current inquiry into the Australian Gambling Industry by the Productivity Commission of Inquiry. The focus of this inquiry, as was the last, is on the social and economic impact of gambling, including the growing penetration of internet gambling and how that should be regulated. Problem gambling remains an issue for the inquiry particularly in those States which have widespread distribution of poker machines in hotels and clubs.

Lotterywest has contributed to the submission from Western Australia provided to the Productivity Commission by the Department of Racing, Gaming and Liquor.

Business Improvement

Operating our business efficiently and anticipating the needs of the future is a key success factor for Lotterywest. It was this which drove the major project to replace all our management information systems and the gaming system, the first stage of which we reported in last year's annual report.

The new gaming system, including more than 600 new terminals, 'went live' successfully on the 9th June, 2008. In the same month, the first systems under our new enterprise system also went live. These first elements of the project, which is still underway, were the finance and procurement systems together with the first phase of the human resources and payroll system. The progress achieved to date and our plans for the forthcoming year for the next phase of the project are documented further in this report.

As was reported last year, the implementation of the new gaming system was a complete success. This element of

Chief Executive Officer's Report



Spirit of the Streets Choir performs at '\$100 million to WA' event



Scout and Kitt represent Humpty Dumpty Toy Library at '\$100 million to WA' event

the project was implemented on time, on budget and with no issues which impacted on the fundamental integrity of the gaming system or any of its core operations.

Gradually, in partnership with our retailers, over the past year we have fine tuned the system including implementation of several major software changes to obtain the speed and functionality retailers and players required. The players' ticket checker, the first of its kind to be installed by an Australian lottery, has proved to be a great success with players and retailers alike. Players have enjoyed checking their results for themselves and this service provides efficiencies for retailers.

The focus for the last six months of 2008/09 on continuing to obtain the benefits provided by the gaming system has been on a project to achieve a long term objective of providing syndicates through the terminal. This will give the players a 'live ticket' instead of the retailer generated receipt for their purchase under the current manual syndicate system. This will provide efficiencies in the management of syndicates which are very popular in WA, and will reduce the risks associated with the current manual system.

A further benefit offered by the new system is the capacity to offer an internet sales channel. After many years of foreshadowing the decision, the Board took a formal recommendation to the Premier in May 2009 that approval should be given to implement an internet sales channel. This approval has now been given. This recommendation followed a long period of research, of monitoring trends in other parts of the world and briefing the members of the retail network of our position and the reasons for it. The primary reason for our taking this decision is to provide local players who wish to use an internet channel with a Western Australian option. We want to ensure that we do not continue to lose money out of this State to other providers, as our research suggests is currently the case. Lottery internet sales channels are

already available to Western Australian players who choose to use them. The recent decision by the High Court of Australia in relation to the appeal of the internet betting exchange 'Betfair' which handed down the judgement that State governments cannot prevent the promotion of licensed on line gaming services, gave final impetus to this decision.

We believe that the internet sales channel can be provided responsibly with the right kind of safeguards to ensure against excessive play or play by underage players. It will provide a convenient service to Western Australians who would prefer to use this channel, and ensure that money that could be returned to Western Australian beneficiaries, remains in this State.

We expect that the internet sales channel will be ready to launch in mid 2010 given the need to set in place the identity checking processes and other responsible play features. Already we have had consultations with organisations representing those concerned about the issues. We will continue to ensure that they are properly consulted and included as the project develops, and any concerns about the risk of causing an increase in problem gambling addressed.

Our Retail Network

We have worked for many years to develop a positive and mutually respectful working relationship with our retailers, as well as to have them feel connected with and proud of the part they play in raising funds for the community. They remain our priority as our primary distribution channel and as our public representatives. We have extended the range of services to our retailers, including improving our training programs, and have developed a range of activities to build our relationship with our network including participation in events associated with our grants role.

Early in 2009 we held a major presentation for Perth based retailers at which we

*One hundred million dollars
to Western Australia*

provided a full report of the performance of our business and our plans for the next three years. This presentation was repeated at smaller regional events in Geraldton, Albany, Kalgoorlie and Bunbury. I then enjoyed visiting retailers in the Kimberley and Pilbara and talking with them individually about the contents of the presentation.

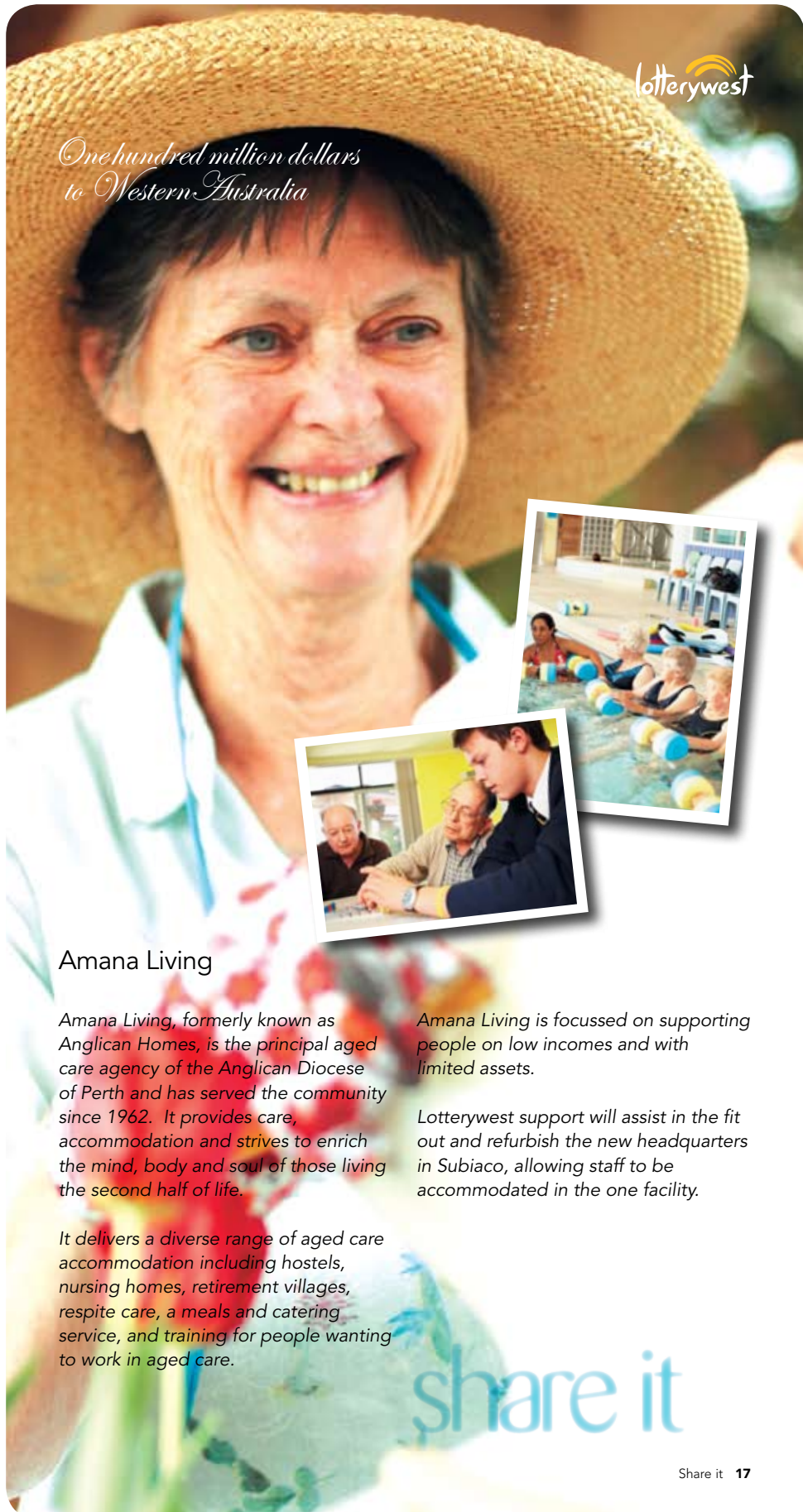
Our retail advisory panel, a representative group of our network which meet with senior staff and me regularly, is another very important channel from which we receive feedback from those representing Lotterywest to our players. We are very grateful for their contribution to our marketing, retail support and overall business development activities.

Our Corporate Brand

The overall branding of Lotterywest based on our organisation values, encompassed by the concept that we call 'Share It', has continued this year to be a major focus of our marketing strategy. We were delighted with the international acknowledgement when Lotterywest was awarded the prize for the best corporate advertisement at the October 2008 World Lottery Association Conference. This award was for our advertisement commonly known as 'Jars' in which a small boy 'collects' special moments in small jars and shares some of them with his neighbour. Recently we were recognised by WA Business News as the 3rd most prominent brand in WA.

Responsible Gaming

Responsible management of all our marketing and our business practices is a core value of Lotterywest. We have been members for many years of the State's Problem Gambling Support Services Committee which includes all members of the gambling industry in WA. The Committee is chaired by the Director General of the Department of Racing, Gaming and Liquor. Our particular role has included responsibility for the majority of the funding as well as the management of the grant to the provider of the



Amana Living

Amana Living, formerly known as Anglican Homes, is the principal aged care agency of the Anglican Diocese of Perth and has served the community since 1962. It provides care, accommodation and strives to enrich the mind, body and soul of those living the second half of life.

Amana Living is focussed on supporting people on low incomes and with limited assets.

Lotterywest support will assist in the fit out and refurbish the new headquarters in Subiaco, allowing staff to be accommodated in the one facility.

It delivers a diverse range of aged care accommodation including hostels, nursing homes, retirement villages, respite care, a meals and catering service, and training for people wanting to work in aged care.

Chief Executive Officer's Report



*Sanjoy and Tory from
Retail Distribution and Operations*



*(L-R) Chantel, Trish, Sarah, Brett,
and Lauren from our marketing team*



*Lotterywest's internal Training
Team (L-R) Chris, Kerry, Tanya and John*



*Louise and Marisa from
our Grants Business Services Team*

Problem Gambling Counselling Services in Western Australia. We also contribute to the Responsible Gambling Awareness Week held at the end of June by all members of the gambling industry.

This year we have decided to take our policies and practice a step further by seeking accreditation under the World Lottery Association (WLA) Responsible Gaming Framework. This commitment has been made formally to WLA and will be the focus of an organisational review in the ensuing year with the goal of achieving accreditation in that period.

International Links

We continue our membership of the World Lottery Association and the Asia Pacific Lottery Association (APLA), both very important sources of information, standards and networking for our business. In October 2008 at the Annual General Meeting held during the WLA congress held in Rhodes, I relinquished my former position of Senior Vice President, which I had held for four years following five years of service as a member of the committee as the representative of the Asia Pacific Association. My contribution continues to WLA and APLA informally and through Lotterywest representation at international and regional conferences and seminars.

Our People

The last 12 months has continued to place considerable demands on our staff. The work on the planning and implementation of the new information systems together with developing changed business processes that these new systems have made possible, while at the same time continuing to maintain routine business operations at normal levels of service, have been very demanding on a relatively small staff complement. It is to every staff members' credit that we have successfully implemented these changes and achieved the record revenue results of the past year together with a very high level of retailer, player and grant applicant satisfaction with the service received from staff at Lotterywest.

Our focus continues to be on creating a workplace which reflects our organisational values and on providing training and professional development activities to ensure our staff are equipped in the best possible way for the work that they will be required to do in the future.

We have a structured wellness program focusing on the physical and emotional well being of our people as well as an external employee assistance provider. We encourage everyone's participation in the life of Lotterywest through various formal organisational forums, through the staff social club and through participating in the voluntary community service which has emerged from the personal leadership of a number of our people. Those members of our staff whose contribution particularly demonstrates our Lotterywest values are recognized at staff meetings through the staff managed 'RITE' awards.

Governance

This year we have had no changes in Board membership. The Board meets eleven times a year for the main Board meetings to oversee the operation of our business and to make grant recommendations as required by the Act to the Premier for his final approval.

In addition to the main Board meetings, we have the Audit Committee as a Board standing committee chaired by Mr Campbell Ansell as an independent 'non' Board member. There is also a Board subcommittee to oversee our major information systems project which is also chaired by Mr Ansell. I thank all members of the Board for their ongoing support particularly as we continue to develop our major business change project. I also particularly thank Mr Campbell Ansell who has been Chairman of the Audit Committee for the past seventeen years and who has worked closely with us during our business project. His contribution to Lotterywest over those years has been invaluable.

At the end of another very significant year for Lotterywest, I place on record my appreciation of the support of our former Minister the Hon Ljiljanna Ravlich MLC who was our Minister under the previous government from December 2006 to September 2008.

I particularly express my appreciation to the Premier, The Hon Colin Barnett MLA, our Minister since September 2008.

We have been grateful that he personally has chosen to take on Lotterywest under his portfolio.



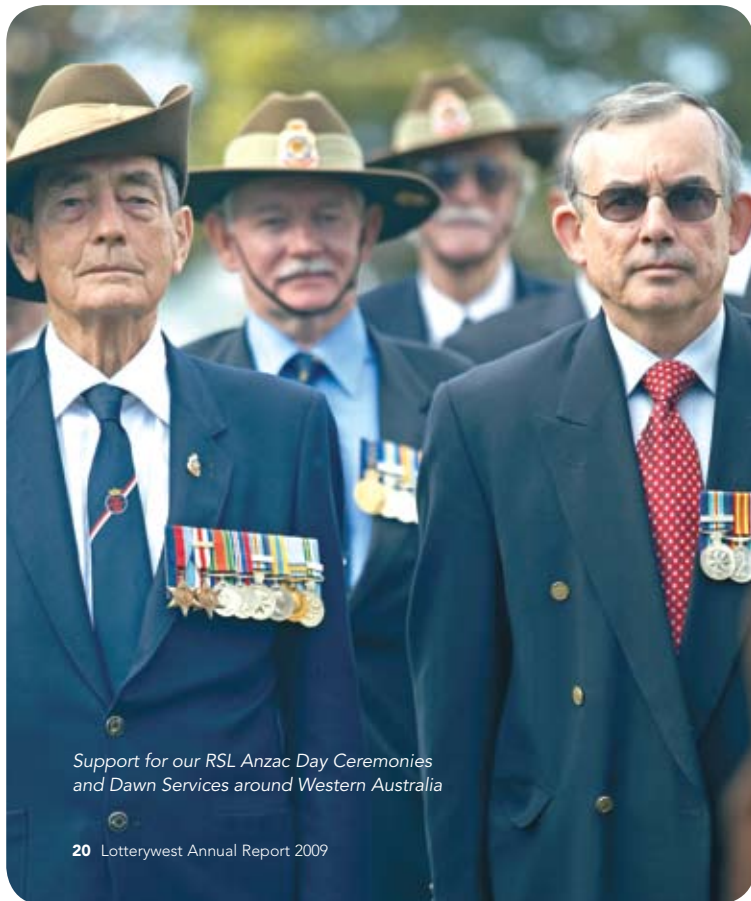
Jan Stewart PSM
Chief Executive Officer Lotterywest



*Kanyana Wildlife Rehabilitation Centre
in the Perth Hills*



*Youth enjoy Albany SK8
and BMX Zone*



*Support for our RSL Anzac Day Ceremonies
and Dawn Services around Western Australia*



*Caring for residents
at Nazareth House in Geraldton*

Running the Lottery



The lottery business has been changing rapidly in recent years in response to changes in technology, in the broader economic and retail environment. This year has seen even greater change for us in technology as well as in the external environment.

It has also been a year of consolidation as we started to make use of the features of the new gaming system which was implemented at the end of the last financial year. We worked on improvements to all of the different aspects of bringing our games to our players with a focus on our players and responsible gaming. Our focus has also been on the continued improvement of our support to our retail network and the services we provide our players.

The scope of the work now included in our Business Operations team, previously known as 'Sales and Marketing', has expanded to include:

- product marketing and communications
- retail distribution and operations
- retailer relationships and development
- customer services
- gaming business systems

Building Our Brand

A significant objective this year has been to build on our already strong and well-known set of product brands and to create a new approach to communicating with all of our customers about the Lotterywest corporate brand.

We have done this by creating a strong position for each of our product brands that aligns seamlessly with the overarching corporate brand.

Our vision has been for a brand position that embodies our core values, demonstrates leadership, builds community understanding and support and which we believe works for the future of our business, our products, and which

facilitates responsibly the achievement of our sales targets.

Our new positioning encapsulates the message 'Share it' clearly and articulates our core philosophy. The 'sharing' of special moments with family and friends and those people closest to you has become the positioning that now underpins our corporate and product brand philosophy. It also extends to sharing with our winners and sharing grants with many community and charity groups around Western Australia.

Our corporate television commercial with the music of 'Catch a Falling Star' featuring a small boy capturing special moments in old jars, has attracted unprecedented positive feedback from the public in Western Australian public.

The successful implementation of this branding approach has meant a significant shift in our approach to all marketing and communications – away from a focus on individual product-led communications, and towards a whole of portfolio approach that has also been translated into coordinated point of sale material in our retail outlets.

This year, as we have created and begun to use all of our new advertising and communications material, we have refined the way we use the different forms of media to convey product brand values and benefits. This has involved reviewing our communication channels, as well as identifying a number of efficiencies in the delivery of our marketing messages, whilst meeting overall effectiveness and engagement targets.



Running the Lottery

Each of the positioning lines of our major product brands support the Lotterywest brand and position, and emphasise the key benefits of each product:



Your Lotto win can allow you to experience the things you've always wanted to do, with the people who are most important to you. It's not about the material things; it's about the opportunity Lotto affords people to share these moments and experiences.

Saturday Lotto is our core product and continues to maintain its popularity, forming 44% of our total sales.

Monday and Wednesday Lotto is also part of the Lotto brand. In October 2008, a new Bloc member joined the game and the first price rise of 10¢ per game occurred.

Weekday Superdraws were also introduced to strengthen the appeal of the game and this is evidenced in the growth of 41% in Superdraw sales from last year.



OZ Lotto is a celebration of the Australian spirit. It's the game that enables you to experience and share those moments that make living in Western Australia feel so good for us all.

In October 2005, OZ Lotto was relaunched with a new 7 from 45 matrix with odds of 1:45,379,620, two new prize divisions (Division 6 and Division 7) and improved odds for winning any prize of 1:56. These changes meant that the chances of the game reaching higher jackpot levels on a regular basis was statistically much more likely. This initiative has helped to provide players with a natural high-level jackpotting game, which under the previous game structure was unlikely to be achieved.

In June 2009, the game jackpotted to a first division prize pool offer of \$90 million which was an unprecedented prize pool offer in the history of Australian lotteries. This attracted an enormously high level of player and game interest across the nation with record sales achieved in Western Australia.



Powerball offers individuals the opportunity to live their dreams, whatever that might be. This is the one game where the individual moment is the focus.

The game offers players the opportunity to participate in high level jackpots, but this year has continued to defy the odds with the Division One prize pool being won consistently at the lower jackpot levels.

An important aspect of the new comprehensive brand communication approach is creating a strong link between the product branding and retail messages.

This approach has been extended in the retail environment through a suite of point of sale material.

Retailers are encouraged to use both descriptive messages (product branding posters) together with information messages (jackpot posters).



LOTTO

Your Lotto win can allow you to experience the things you've always wanted to do, with the people who are most important to you. It's not about the material things; it's about the opportunity Lotto affords people to share these moments and experiences.



Wouldn't miss it for the world



OZ LOTTO

OZ Lotto is a celebration of the Australian spirit. It's the game that enables you to experience and share those moments that make living in Western Australia feel so good for us all.



This is the Life



POWERBALL

Powerball offers individuals the opportunity to live their dreams, whatever that might be. This is the one game where the individual moment is the focus.



One Powerball



SCRATCH'N'WIN

The Scratchie experience is a fun, light-hearted, fleeting moment of optimism. Scratch'n'Win isn't about big moments or lots of people. It's about a small moment to yourself; a chance to experience a quick moment of fun, a quick little thrill or some time out.



My little moment

Running the Lottery



SCRATCH'N'WIN

My little moment

The 'scratchie' experience is a fun, light-hearted, fleeting moment of optimism. Scratch'n'Win isn't about big moments or lots of people. It's about a small moment to yourself – a moment of fun, a quick little thrill, or a moment of timeout.

Prior to the launch of the new branding in 2009, we had not provided our instant product, marketed under the brand name 'Scratch'n'Win', with generic brand support for several years. Our new campaign complements the corporate and Lotto brand positions, but also maintains the product's distinct position within the overall product portfolio. A unique adult animation style was created to represent the Scratch'n'Win brand and the key reasons people play the games.

Each commercial tells the story of an average day that is brightened by a little moment of 'peace', 'excitement' or 'relaxation', or buying a gift for others – the main motivators which our market research tells us is the reason people purchase the product. The campaign was launched in February 2009.

New designs and other enhancements to our players' favourite Scratch'n'Win games

are regularly introduced and we maintain our research and monitoring of new product technologies and materials.

Improvements to our current ticket range have also been ongoing. This year, Crossword has been the focus. We now have new look Crossword tickets designed to appeal to all player demographics. We also introduced \$5 Double Crossword as a new feature of our product range.

The Scratch'n'Win Story:

- 44 new games were produced this year
- Of those, the most successful were \$3 Bonus Crossword (Dolphins), \$5 Winners Wheel, \$5 Double Crossword (Pencil) and \$10 Mighty Money, all selling through at higher than expected rates
- The most notable success this year was the introduction of \$5 Double Crossword as part of the portfolio
- Less successful games included \$3 Bingo Bonanza and the \$3 75th Anniversary ticket

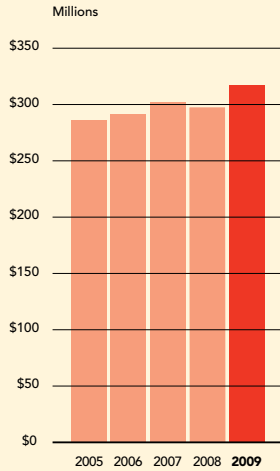
The new Scratch'n'Win website was launched in April 2009 to increase brand

and product awareness and to engage customers through an interactive and fun channel. The launch proved extremely successful with 5,000 new members in the first month giving us a total of almost 14,000 members by the end of June 2009.

Product Marketing Focus for Next Year

- Marketing and promotions at the retail level and retail channel development
- Consolidation and review of new communications approach with a focus on alternative media
- Refinement of our Scratch'n'Win product offer

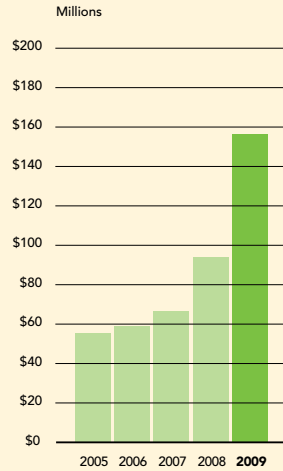
Through our new approach to brand communications our core message remains that Lotterywest through our range of lottery games creates winning moments for players and for the whole community of Western Australia.



Sales: \$316.8m (\$297.2m in 2007/08)

Represents 44% of total sales in WA

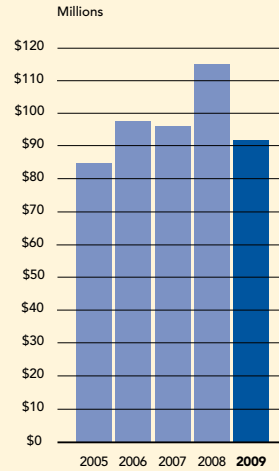
Achieved \$21.5m in sales for \$30m Megadraw



Sales: \$156.8m (\$94.2m in 2007/08)

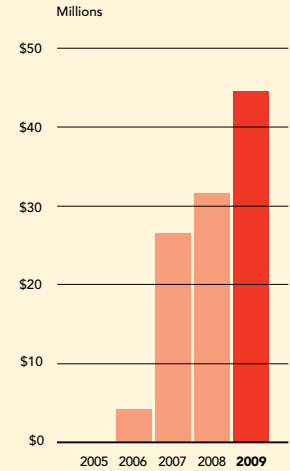
Represents 22% of total sales in WA

\$90m Jackpot in June 2009 achieved single draw sales record for WA of \$29.7m



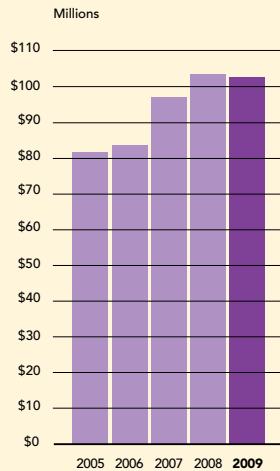
Sales: \$91.6m (\$115.8m in 2007/08)

Represents 13% of total sales in WA



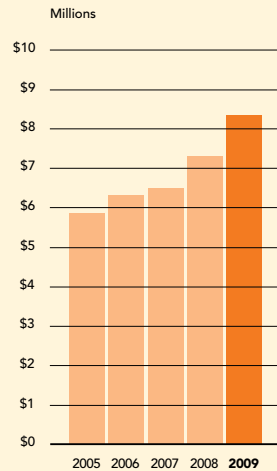
Sales: \$44.4m (\$31.5m in 2007/08)

Represents 6% of total sales in WA

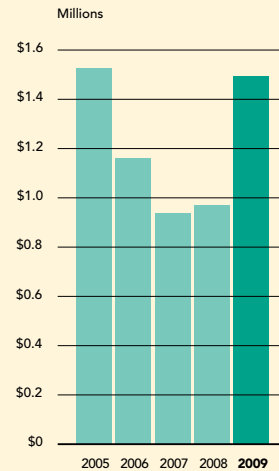


Sales: \$102.4m (\$103.9m in 2007/08)

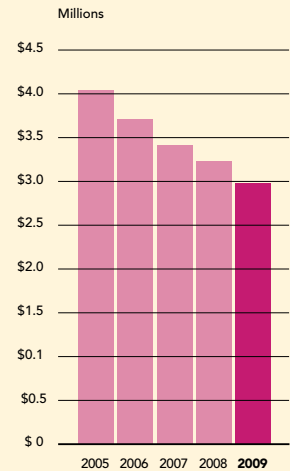
Represents 14% of total sales in WA



Sales: \$8.3m (\$7.3m in 2007/08)



Sales: \$1.5m (\$1.0m in 2007/08)



Sales: \$3.0m (\$3.2m in 2007/08)

Running the Lottery



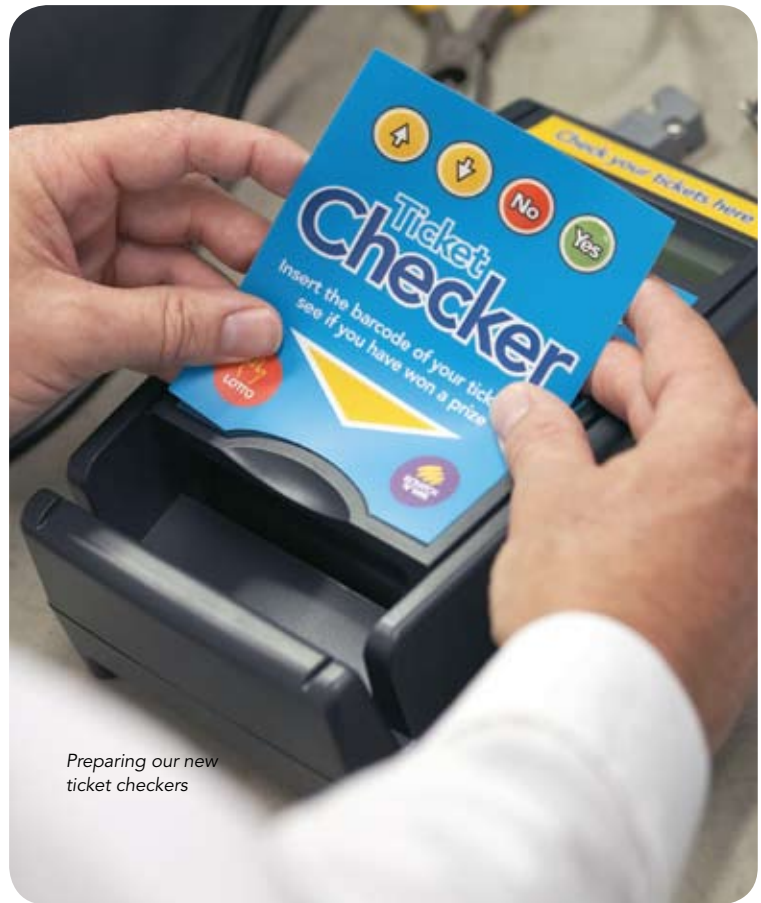
Dave and Ross from our Information Services Team



Brett, one of our Lotterywest Technicians



Peter, one of our Lotterywest Technicians



Preparing our new ticket checkers

Creating Our Future

One of the most significant aspects of our business this year has been the development of our gaming system functionality since the launch of the new technology in June 2008.

Our partnership with our gaming system supplier Intralot has been extremely successful. We have worked closely with our retailers and with feedback from our players to ensure the gaming technology is delivering all of the benefits we envisaged. We believe the flexibility of this new technology and our partnership with Intralot will continue to enable us to offer engaging and entertaining products, customer promotions and services, and support key lottery activities over the next ten years and beyond.

New Gaming System Features:

- Expanded range of ticket types, including 'Slikpiks' of various sizes up to 50 games
- Ticket repeat option (ie. the player can have a favourite ticket 'repeated each draw by having it scanned through the gaming terminal)
- Favourite numbers for registered players
- Expanded range of prize payment options for registered players
- New Ticket Checkers that enable players to check their own results
- New player screens provide enhanced transaction details and player information
- Central to our development of this new technology has been consideration of player benefits, and in particular, of providing players with accessible and improved game play options, as well as a transparent results process, with the overall objective of promoting player confidence in our games and processes

As with any new technology, there have been a number of challenges this year in ensuring our gaming system works well in the retail environment, as well as with the new broadband communications

technology we installed at the same time. Much of our system development and enhancement program this year has therefore also focused on delivering improved functionality for retailers. The key enhancements included improved system response times and easier access to producing common game entries and ticket types.

During this process we received the welcome assistance and support of many of our retailers, and we acknowledge their commitment to ensuring the system supports all parts of our business and theirs.

The future is one where our system is configured in a way which makes it relatively inexpensive for us to make changes in response to retailer or player requirements or add to our product range. It allows us to keep abreast of industry best practice, and to adapt to technological advancements within our industry.



A retailer in training on our new gaming system

Coming Soon

Syndicates sold through the terminal

This functionality will allow players to purchase syndicate shares and receive a receipted ticket from the terminal. Prizes can be redeemed at any authorised Lotterywest retail outlet.

Product and Player Promotions

This will provide the capacity and flexibility to offer product and player promotions and other player rewards.

Buying Lotto through the Internet

Lotterywest received formal approval from the State Government to develop an online sales channel.

The facility will be in place for players to participate in purchasing all Lotto products (but not instant Lotteries) within a secure web environment with appropriate security and wagering controls.

The service will ensure that revenue raised from Lottery product purchases by WA players who wish to use an online facility will remain in the State for the benefit of local charities and community groups.

Running the Lottery

Engaging with Our Players

This year our focus has been on developing our systems and processes to enhance and improve our players' experience when playing our games, as well as with all of their interactions with us.

Our games are fun, engaging and easy to play. Players need to be confident that their ticket purchases, as well as any potential winnings, are safe and secure.

Many of the changes for our players have been introduced as part of the new gaming system technology, and others have been incorporated into our internal customer service processes. Below are some of the ways we have engaged with our players:

Player Ticket Checkers

Each lottery terminal is equipped with a Ticket Checker so that players can check their own tickets by a direct link to the central gaming system.

This is a fast, convenient and reliable method for checking tickets and complements the existing methods available to players. Prominent messages appear on the ticket checker that inform players of the result of the ticket scan.

Ticket Repeat

Players can now request a 'repeat' of their current Lotto, Soccer Pools and Cash 3 tickets. The gaming system produces a new ticket in the current draw featuring the identical number selections from the original ticket.

This new game play option is particularly useful to players who do not want to select their own numbers, or simply want to continue using the same numbers for each draw without having to complete a playslip.

Scratch'n'Win Prize Disclosure

In line with industry best practice and in keeping with our desire to maintain optimum transparency in the delivery of services to our players, we now publish details on when a top prize and

other lower tier prizes in a particular Scratch'n'Win game have been claimed. This information is available on our corporate website, and we also have greater opportunity to promote prizes won using player screens instore.

Player Screens

LCD screens are installed on all lottery terminals to provide up to date information to customers on a variety of topics including Lotterywest products, community messages, Scratch'n'Win prize disclosure and responsible gaming. The screens also provide transaction details for each individual player during the purchase process, allowing them to track the value of purchases and ticket details for accuracy.

Player Registration

To support increased player awareness and engagement with our products, we offer a player registration service. We now have in excess of 200,000 players registered with our Lotterywest Players Card registration service. Those players who have registered in the past 12 months now have an open ended membership and the option of receiving prize payments directly into their nominated account or via cheque.

In addition, registered players now have the option of having favourite numbers stored against their Lotterywest Player's Card. Rather than using a playslip each week, registered players can now present their card to their retailer and simply request their favourite numbers for games to be entered.

In the past 12 months 4,261 lost and stolen Lotterywest Players Cards have been replaced, resulting in 950 registered tickets being monitored for the players through our gaming system. Of the 950 tickets, 174 won prizes which were paid directly to the players.

Our service for lost and stolen tickets also extends, as much as possible, to unregistered tickets with 385 unregistered tickets being monitored prior to the respective draws taking place.

Players who have used this service are encouraged to consider registering for a Lotterywest Players Card, which offers a much more streamlined ticket monitoring service due to the unique registration number recorded on the registered player's tickets.

Responsible Gaming

In May 2009, Lotterywest submitted an application to the World Lottery Association (WLA) for accreditation at Level 2 within their Responsible Gaming Framework. Our commitment and activity around responsible gaming practices will elevate over the coming twelve months to implement a plan holistically throughout our organisation.

A responsible gaming team has been formed that will take responsibility for implementing our plan throughout Lotterywest that becomes intrinsic to how we go about our business.

Lotterywest is also actively involved in the Western Australian Problem Gambling Support Services Committee and participated in 'Responsible Gambling Awareness Week' from 22-29 June 2009 in partnership with other gambling organisations and with Centrecare, the organisation which provides support services to problem gamblers.



Creating Winning Moments

Each year, Lotterywest has the pleasure of putting a smile of the face of many Western Australians as they collect their winnings.

The total value of Division One Prizes distributed in 2008/09 was \$175,150,740.86, including 85 winners of Division One prizes.

Division One Prizes



61 winners sharing in \$60,900,146.29



7 winners sharing in \$91,080,068.96



13 winners sharing in \$17,142,935.86



1 winner whose prize was \$3,333,333.34



3 winners sharing in \$2,694,256.41

*One hundred million dollars
to Western Australia*



St Bartholomew's House

St Bartholomew's House fondly known as 'St Barts', is committed to eliminating or reducing homelessness and most importantly, achieving positive life changes.

A grant has recently assisted St Bart's by providing equipment and furniture, white goods and fittings to furnish accommodation for 92 people living with mental illness.

The grant will allow people to move into a fully furnished unit located within a complex where they will receive life skills support from St Bart's as well as a secure and safe place to be.

Lotterywest has also assisted St Bart's to improve its governance by granting money for an improved IT system.

share it

Running the Lottery



George and Sharee from Innaloo Lottery Centre.



Di from Nexra Dianella



Lotterywest Retailer Trainer Karen and Andy from Guardian Edgewater Pharmacy Plus



Wayne from Myaree Nexra Newsagency and Karli from Goodmalling Newsagency

Building Relationships with Our Retailers

Our retailers are involved in almost every aspect of our lottery business. In conjunction with the significant changes we have made to our gaming system and marketing communications this year, we have also commenced a number of major initiatives aimed at improving the range of service and support we provide to the retail network.

The Retailers' Consultative Panel is an advisory group comprising members of our retail network, representing a range of business categories and including regional and metropolitan retailers.

The role of the Panel is to facilitate a collaborative approach in identifying and supporting emerging issues or market developments that enables us to effectively support our retailers and meet our business objectives.

Our industry and operating environment has changed significantly. This is also true for the many small businesses that are part of our network. Our retailers are located across all the regions of our State, with each location presenting quite distinct opportunities and challenges.

This year we have changed the pattern of support we provide through our Retailer Relationship team by first realigning sales areas by geographic location. The size of our state and distance required for us and retailers to travel provide significant challenges in offering the ideal level of service, particularly in the more remote areas. Improvements this year have allowed a more even level of support for retailers across the different geographical locations, sales segments and business types. We are now operating an improved retailer visit schedule with a more substantial focus on consultation about our business direction and retailer business needs.

Acknowledging the many aspects of our business that impact our retail network, we have taken a different approach to working



Retailers' Consultative Panel members from left to right: Angelo Lee from Whitty's for Winners in the CBD Perth, Manny Muscat from Boulevard Lottery Centre & Newsagency in Esperance, Karyn Dymond from Goomalling Newsagency, Wayne Martinovich from Myaree Newsextra Newsagency, Robyn McDermott from NewsXpress Gateway Lottery Centre in Success and Marilyn Bryant from Ellenbrook News. Not pictured; Peter Allpike from Carramar Lottery Centre & News in Morley

with our retailers across all of the areas of our lottery operations. Our objective is to create a strong and seamless working relationship across our Business Operations unit and in our communications with retailers so that retailers have the level of support they need. We appreciate the level of support our retailers demonstrate towards Lotterywest in their engagement with our players in promoting our games, and in assisting us with the many aspects of business improvement on which we are working.

One of the most important brand references for us in the retail network is our retail identity. With the introduction of the new gaming system and communications network we have made some changes to our infrastructure at retail outlets. Over this last year with our retailers' support, we have continued to make improvements to our retail shopfit and brand presence through signage and point of sale.

We have almost completed the transition to our current retail identity across the

retail network. This year the focus of our work with our retailers is on the improvement of the consistency of our brand representation at a retail level. This has been particularly important in seeking to align all of our brand communications, as well as in the context of the standards and requirements of today's retail environment.

Another important aspect of this work with our retailers has been on improving some of the design elements of our current shopfit, and we have implemented a number of modifications in order to improve general security, as well as player safety and access.

Over coming months we will be working with our retailers to review the location of the player ticket checkers in individual outlets so that where appropriate, retailers are able to manage customer queues more efficiently and provide improved player access or security.

Running the Lottery

Training Statistics

Course	Events	Participants
New Owners course (5 days)	9	136
Retail Staff course (2 days)	24	280
Business Adventure Workshop	1	70
Special Training Events*	14	193
Certificate IV Retail Management	8	140

* *Special Training Events include: Improving Customer Service, Loss Prevention and Improving Scratch'n'Win sales*

Providing Tools of the Trade: Retailer Training & Development

One of the most important aspects of working with our retailers is in our ability to meet their requirements for training and development – for themselves and their staff. This also provides us with an opportunity to consult and collaborate with other industry partners in delivering a comprehensive training and development program that meets the needs of a diverse range of retailers.

This year our programs have covered a wide range of learning and development requirements, from ongoing terminal and retail management training related to the new gaming system, to new initiatives where we provide support for retailers to complete industry recognised qualifications.

In partnership with The Australian Retailer's Association we commenced delivery of the Certificate IV in Retail Management to retailers in both metropolitan and regional areas. This program has enabled us to offer a higher level of professional development, providing specialist skills and knowledge to improve individual and store performance.

Building on the success of this program, we will soon commence delivery of the Diploma in Retail Management to retail managers and business owners. We are now able to offer our retailers access to a broad range of training options from general entry to the retail industry

to nationally recognised Diploma level qualifications.

While attendance at our training events is high, we will be working towards developing an e-learning platform, to provide improved access to training and professional development regardless of a retailer's location.

In addition to the detailed training courses, we conducted over 200 individual in store training visits ranging from new retailer training through to one-on-one mentoring to address retailer specific issues.

Information to retailers is regularly provided via a range of channels – The retailer website and our retailer 'Link' magazine issued six times a year.

Engaging with Retailers

The Retailer Connect program, the name given to a range of services provided to our retailers, has played a very important part in engaging our retailers with business improvement initiatives, and in encouraging their participation in our training programs and other industry events.

A key objective of the program has been for us to build core business relationships with organisations that are in a position to provide a range of benefits and support to retailers. To assist with developing the business skills of retailers, in conjunction with such organisations as the Small



Business Development Corporation and Small Business Centres, this year we have provided a variety of internal and external training opportunities across the State.

Other associations with key industry partners include the Chamber of Commerce and Industry and the Australian Newsagents' Federation, through which we are able to provide ongoing support to the Australian Newsagents' Federation Western Australian Newsagency of the year awards.

Retail standards and retail sales have been the focus of initiatives such as our Retail Sales Performance programs, which have combined training and incentives to help retailers build their businesses.

The program also continued to build relationships with our retailers through a calendar of events that showcases some of the organisations that benefit from Lotterywest grants.

In planning for the future we have identified a new phase of development for the Retailer Connect program to meet our changing business needs and those of our retailers. A new retailer support and incentive program will be introduced in late 2009.

Moving with the Changes in the Retail Environment

The number and geographic distribution of outlets making up our retail network has remained reasonably consistent over the past year, and the vast majority of retailers are experiencing positive growth from the sale of lottery products.

However, the changes we are seeing in the retail environment, resulting in part out of some of the significant changes in the economy over the last year, have meant that our retailers are experiencing a shift in some of their key operating conditions.

Retail Network Composition

	All Products	Instant Lotteries Only	Total
Metro	333	37	370
Regional	79	22	101
CSO*	82		82
	494	59	553

* Community Service Outlets are located in rural and remote locations and are appointed on the basis of the special circumstances of communities in remote areas of WA.

This has meant that our focus on the development of our network in new locations, and the support of our existing retailers in their individual business circumstances have also shifted.

Significant delays in shopping centre development projects have affected planned timeframes for the establishment of new outlets in identified locations.

Changed leasing conditions in larger shopping centres have necessitated our increased involvement in facilitating viable lease arrangements for some retailers. With changes in broader economic conditions, we have seen a reduction in activity in areas such as changes in ownership of retail businesses.

Due to the present macro economic conditions, we have seen a shift in the activities in the retail network. The current trends are highlighted in the comparison data below:

Retail Network Movement

	2007/08	2008/09
New Outlets	10	4
Change of Ownership	71	57
Voluntary Outlet Terminations	8	8
Outlet Relocations	12	11

These changes have provided us with opportunities to work closely with individual retailers to resolve a broad range of business matters, as well as with opportunities to consult with retailers on any required changes to our own internal processes.

We also continue to work closely with the Australian Newsagents' Federation, business brokers and retail leasing consultants. These associations provide opportunities to share information on market trends and how these may impact our retailers. We also receive valuable feedback on our retail licensing and retail management processes, which informs our ongoing review and alignment of these processes to better support our retailers.

This initiative forms part of a much broader program of retailer life-cycle support, which we are working on developing further again next year.

This year we have commenced a review of our processes associated with retail licensing, including our processes for providing support to retailers across the range of their business circumstances. We aim to refine our processes in this area to incorporate a more proactive, flexible and responsive approach to retailers' business circumstances.

Our overall retail distribution planning strategy remains the same, and is designed

to provide support to our primary business objective of achieving an appropriate level of return from the sale of lottery products for the benefit of the community of Western Australia.

We have continued to refine our methodology so that it remains responsive to changes in population and to plans for retail and commercial development. We also closely monitor shifts in consumer behaviour and shopping patterns, as well as any future changes in retail trading hours. We are also able to consider new developments in traditional shopping precincts such as Perth CBD.

The Future

The forthcoming year will be one with continued focus on our retail distribution network as our primary distribution channel. We will simplify our licence agreement and update the Retail Standards and Procedures Manual to include all the most recent changes in our gaming system, business procedures impacting on our retailers and our marketing approach.

Our training programs will continue to be improved, as will all the support services we provide to the network.

We will complete all the signage aspects of our corporate image across the retail network and ensure all old material is finally removed and only approved material consistent with our retail image is presented.

No new products are expected to be launched in the forthcoming year, although we have a number of new initiatives with our Scratch'n'Win product being developed and a number of improvements for our customers and retailers using the potential of the gaming system.

The Business Operations team are committed to achieving our sales targets within our responsible gaming framework to meet our revenue goals for the benefit of the community.



Training guide dogs at the Association for the Blind of Western Australia



Quality care provided at Nazareth House in Geraldton



Enjoying a workshop at Spare Parts Puppet Theatre



Sharing tips on health and nutrition at the Kids Future Club in Derby

A Grant Maker for Our Times



The foundations of our grant making and community development.

GRANTS OVERVIEW

Lotterywest has been distributing grants to community and charitable organisations in Western Australia since 1933. Over the years, the members of Boards of Lotterywest have always responded flexibly and creatively to the changing needs of the community and to the changing economic, social and policy environment.

As our business has grown, particularly in the past two decades, so has our capacity to support the community. The Board and the grants team have continued to strive towards the fulfilment of our responsibilities under the Lotteries Commission Act and to meet world's best practice in grant making.

Each year that has included a careful review of the activity in the previous period, and planning for the forthcoming year, taking into account any relevant changes in the environment which will impact on our future direction.

In July 2008 the Lotterywest Board, together with the Chief Executive Officer and senior members of the grants team met for our annual review which included the attendance of senior representatives of the not for profit sector and Government leaders.

The discussions focused on the current and projected economic, social and cultural landscape in Western Australia, and how Lotterywest could best fulfil its responsibilities and support the development of the community and the organisations working within it.

The Board subsequently affirmed that our key grant making principles which have formed the basis of our grant making

for several years, remain relevant and will continue to be the basis of our approach.

Key grant making principals:

- Flexibility and responsiveness to changing community needs and priorities
- Submission based grant making
- Grants to be a complementary funding source, supporting the requirements of community organisations not able to be resourced by the organisation itself or others
- Grants to provide for both capital (infrastructure and human) and for projects
- Grant making to be a developmental process – with staff engaging actively with community organisations and other stakeholders to develop projects and proposals, even if this community development activity doesn't necessarily result in a grant from Lotterywest.

In short, the Board confirmed that our activity should continue to stretch beyond simply grant making and the distribution of money, and must include an active engagement in community development, with the sharing of our resources and intellectual capital, while linking and leveraging and taking a leadership role where requested or required.

The community and government leaders also talked with our Board about the areas they believed Lotterywest could consider as current priority areas for support for the forthcoming period, both through grant resourcing and active engagement of the grants team in contributing their expertise.

Priority areas:

- Supporting organisations assisting people who are homeless, inadequately housed or at risk of this, and supporting the development of new ways to address this major community issue
- Working with Indigenous communities and organisations to support them in addressing disadvantage, and in taking opportunities for social and economic development and to build culture
- Supporting early childhood care and development and encouraging integration and access to support for families and children, based on the principle that a strong and coordinated early years approach is the foundation for Western Australia's social and economic well being
- Recognising the challenge for sustainability within the community sector, encouraging sustainable practices through our grant making and influencing environmental considerations
- Encouraging Lotterywest to continue to use its unique position as a major Western Australian public sector business and grant making organisation with an overview of the diversity of the community sector and its needs. Also, to engage actively with government, business and not for profit leaders and to use this position to encourage the development of creative and shared solutions to social issues and encourage the practice of philanthropy and all forms of giving
- Continuing to invest in sector development and in the business and governance practices of community organisations as one of the few sources of support for 'capacity building' within the sector.

A Grant Maker for Our Times

Service to the Community

This year a milestone was reached in our Grants Program with \$100 million provided in direct grants to community organisations. 1,322 grants were provided to 1,082 organisations, with 97% of grant applications supported.

249 organisations approached Lotterywest for support for the first time. Grant turnaround times remained high with 91% of grants processed within three months (our target).

Community Activities Supported:

Our grants supported activity across the community sector in the following broad areas:

- The development of the capacity of not for profit organisations through skills development of those who work within them and their boards, and planning and practice improvement
- Providing equipment and infrastructure, including buildings and capital requirements (such as computer equipment, furniture, vehicles etc), to underpin service delivery, and for general community recreation and leisure
- The conservation and interpretation of our built, cultural and natural heritage and environment
- Supporting research and projects to assist organisations to most effectively address social and health needs
- Building community through the celebration and recognition of significant events, anniversaries, festivals and honouring community achievement and endeavour

ORGANISATIONS SUPPORTED

A comprehensive listing of all organisations who received grants this year can be found at the end of this annual report. The following grant examples are only a very small selection of the 1,082 which received grants this year, chosen to represent the breadth of the initiatives supported throughout the State.

Association for the Blind of Western Australia

The Association received a grant of \$979,017 for the redevelopment of its website and towards information technology hardware and software. Also supported was the 'Beyond Books, Beyond Barriers' project for the conversion from analogue format to digital of 2,000 publications. This project will mean that people who have vision impairment can access books and material that is often beyond the capacity of mainstream libraries to provide. It will provide a most significant step in the accessibility of written material for those with vision impairment and is believed to be a world first.

Halo Leadership Development Agency

Halo is an organisation which advances the hopes, aspirations and leadership opportunities of Indigenous young people within the Cockburn and Fremantle regions. It provides innovative, tailored programs, advocacy, coaching and networking opportunities so that young people develop a strong personal and cultural identity, and can design their own future and make a difference in their communities. Halo received a grant of \$289,499 towards fees and costs associated with the Halo Personal and Cultural Development Project – to identify and promote effective diversionary programs based upon Aboriginal leadership and cultural identity as positive, life changing influences.

Returned and Services League of Australia WA Branch

The commemoration of ANZAC Day has always been a very important day in the Australian calendar of significant community events. In recent years its

community support has grown even more strongly with record crowds each year attending the main Dawn Service in Kings Park and in regional areas, as well as the marches held in Perth and other towns. Lotterywest is proud to support the RSL in the organisation of this event. \$372,698 was granted for costs relating to ANZAC Day 2009 including the Dawn Service and March Parade in Perth City, plus the Gunfire Breakfast in Stirling Gardens and regional communities.

Kimberley Wildlife Rescue

Kimberley Wildlife Rescue treats and cares for sick, injured and immature wildlife and works to re-establish rehabilitated wildlife into their natural environment. A Lotterywest grant of \$113,996 was provided for property improvements and equipment to support the activities of this highly committed group of volunteers to support the rehabilitation of injured wildlife and to educate the broader community around the need to protect and conserve native wildlife in the Kimberley region.

City of Canning – Canning River Eco Education Centre

Situated on the banks of the Kent Street Weir, the work of the Eco Centre increases awareness and understanding of the Canning River and the surrounding Regional Park through the establishment of environmental education programs and activities. The Centre received a grant of \$22,915 towards the purchase of a laptop computer, equipment and furniture including educational display systems. These items are for use by the numerous community and volunteer groups which utilise the centre for conservation work and information.

PEEDAC – Noongar Media

PEEDAC supports the ongoing development of the Noongar community, the traditional people of the South West and Great Southern regions of Western Australia through a range of initiatives focused largely on economic independence through sustained employment and training. \$33,110 was granted toward the establishment of the Noongar Community

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Radio, reaching the greater metropolitan region and relayed to many Noongar communities throughout the State. It will support the use of radio media to promote Aboriginal culture, address social and cultural issues, provide training and employment in media, disseminate information and support public awareness and reconciliation.

Broome Aged and Disabled Services

This group delivers a range of Home and Community Care and residential services to seniors within the Broome region. \$96,850 was to complete the fit-out of a new day care centre and communal meeting spaces to meet the needs of the local Indigenous population. Vehicle modifications to a 22 seater bus were also included in the grant. The bus will be used to transport seniors throughout the community to activities and social outings.

Foodbank of Western Australia

Foodbank was established in 1994 with substantial Lotterywest support to facilitate the collection and distribution of the large-scale food stock to community agencies that provide free or low cost food to agencies supporting disadvantaged people. Over 400 businesses provide a variety of foodstuffs to Foodbank that would otherwise be destroyed or disposed of as rubbish. Last year the industry saved over 1.5 million kilograms of food which was distributed through Foodbank. In 2008/09 \$4,290,000 was granted for building and construction of a new administration centre and warehouse in Perth and a new facility in Albany with the recommendation of a further \$2,100,000 in 2009/10.

Working to Improve Our Services to the Community

A number of important business development, policy and process improvement initiatives were undertaken to place us in the strongest possible position to support our grant applicants, potential applicants and other important stakeholders.



Autism Association of Western Australia

Approximately 300 children are diagnosed with Autism each year in Western Australia.

The Autism Association provides early intervention and support to families following the diagnosis of their child.

Since the early 1990s, the Autism Association has been on a path of continued expansion of services that includes early intervention, family

support, therapy, independent living and employment support services to name just a few.

A grant supporting the new state headquarters for the Association and an Autism Early Intervention Centre in Shenton Park will make a real difference.

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A Grant Maker for Our Times



Mark, Pearl and Joni review a grant application

Grants Team Relationship Model

Our Grants Team this year reorganised to take a more personal and direct approach to our relationships with community organisations. By shifting from a grants program focus to a focus on relationships with geographic communities, sectors and key community organisations we've been able to engage more directly and regularly with our grant customers and potential customers, particularly in regional areas.

Grants Awareness

We have improved community access to our grants by increasing awareness of grant opportunities and the application process and by identifying new potential customers. We are linking more closely with communities through local government authorities and the regional Development Commissions to better

understand their needs and the local context so that our grants are of best value. Finally, the shift to a relationship model has provided our staff with the opportunity to continue to be involved in a more personal way with the grant applicants which they are experiencing as far more rewarding. Community feedback has been very positive, with community organisations appreciative of knowing there is a consistent Lotterywest contact for their area.

Being Present in the Community

Linked to relationship building is a strategy to raise awareness of Lotterywest grant opportunities by increasing our presence in the community through visits and the presentation of community seminars. This year our team members have visited Albany, Pemberton, Nannup, Narrogin, Wickpin, Lake Grace, Broome,

Derby, Kalbarri, Geraldton, Dongara, Bunbury, Kalgoorlie, Carnarvon, Gascoyne Junction, Burringurah, Denham, Newman, Jigalong, Bindoon, Moora, Gingin, Jurien Bay, Manjimup, Fitzroy Crossing and Dampier Peninsula. Information seminars have also been conducted throughout the metropolitan area in Joondalup, Gosnells, Rockingham and Mandurah, and we have participated in Retailer Business Presentations held in Albany, Bunbury, Geraldton and Kalgoorlie to improve the understanding of our retailers of grant opportunities so they can also be a source of information to our customers.

Improving How We Work

This year a number of grants process improvements have been undertaken to stream line the experience for our grants customers, and improve our overall efficiency, including:

- Increasing the item value for which quotes are required from grant applicants (this requirement has simplified the application process considerable especially for smaller and voluntary groups)
- Increasing the grant amount for which unincorporated organisations can apply
- Streamlining and simplifying acquittal for straightforward grants to recipients with a proven track record using simple Acquittal statements
- Simplifying our Board recommendation and reporting process for lower value, straightforward requests to allow for greater attention and resources to be given to more complex and larger requests.

New Grants Management System

As part of the overall Lotterywest Business Enhancement Project, scoping and detailing requirements for a new Grants Management system has been completed. We currently manage our grant making processes through an in-house developed system. This system has served us well for many years, but is based on now out dated technology. The new system will provide for secure grants tracking, assessment

and acquittal management, and ease of reporting in a contemporary environment. It will also allow us to receive grant applications on line which we believe will be a great improvement for our applicant organisations and will allow for resource savings internally which can be directed to more valuable activity.

Our Decision Making Process

The grants team which receives and assesses grant applications within the Board approved framework and grant making principles, comprises individuals with strong skills across all areas of grant making and community development. All have extensive networks and experience both within and working with the not for profit sector.

Early informal discussions with the grants team about potential grants are strongly encouraged well prior to organisations starting to complete an application form. This means we can support those making the application, many of whom have little expertise in completing grant applications, and can guide the process, add value where we can, encouraging partnerships where appropriate and advising of other resources that may assist.

Assessment Criteria

Once a formal grant application is received, it is assessed against the following general criteria:

- Eligibility of the applicant organisation and the purpose of the request under the Lotteries Commission Act and our approved policy framework
- The broad community benefit that will result from the grant
- The need for the actual items or project support as outlined in the request
- The capacity of the organisation financially and in terms of the management and organisational capability to undertake the project
- Evidence that the applicant organisation is best placed to undertake the activity

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Murdoch University – Institute for Immunology and Infectious Diseases

Murdoch University's commitment to improving the health and wellbeing of Western Australians was further enhanced by a grant towards the construction and fit-out of the Institute of Immunology and Infectious Diseases, which is being built on the University campus.

This grant will provide quality accommodation for key researchers in the area of immunology and infectious diseases and, in so doing, will enable these researchers to participate in an international research program.

Institute Director Professor Simon Mallal and his team have conducted groundbreaking research developing personalised medicine for HIV patients,

tailoring drug treatment to the individual's DNA to reduce adverse reactions to treatment.

A Lotterywest grant will help WA retain its pre-eminent position in HIV AIDS and Hepatitis C research and allow diversification into other infectious disease threats such as malaria and SARS.

The challenge of fighting infectious diseases is becoming increasingly complex and the potential for disease transmission is at an unprecedented high.

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Lotterywest supports sporting activities around WA through the Department of Sport and Recreation

- That there is demonstrated broad community support (which may also include comment from a relevant government or local government agency) for both the applicant organisation and the purpose of the grant request; and
- That the proposal represents value for money with a realistic and justified budget.

Ultimately, a level of judgement is required in recommending a grant to the Board as we are sometimes requested to support new or developing organisations with innovative approaches to social issues. In the case of Lotterywest this judgement is informed by the specialist knowledge of our experienced staff members, and that of their colleagues as grant assessment takes place within the context of the whole team and of the broad network of community and government expertise on which we draw.

On an individual grant basis, external people with technical expertise are referred to as required. Where we are working in broader areas where we believe specialist input will add value to the decision making, a series of voluntary Advisory Panels have been established to support the process.

The State Emergency Relief Committee, (coordinated by Western Australian Council of Social Service Inc), provides advice to Lotterywest in relation to Emergency Relief policy and grants distribution.

The Trails Coordinating Committee convened by the Department of Sport and Recreation provides assessment advice on Lotterywest Trails Grants.

Once the grants team is satisfied that the assessment is complete, a report (the level of detail will depend on the size and complexity of the grant) is prepared for the Board.

The Board then reviews the applications each month, making a formal recommendation to the Minister, (since September 2008, this is the Premier, who has taken the portfolio responsibility for

Lotterywest). Under the Act, these grant recommendations must receive final approval by the Minister. The Act specifies that the Minister has the right of veto of a recommendation but no right to direct the Board or to change a recommendation. In practice, over the years the Minister would normally approve all recommendations made by the Board understanding the care taken in the grant assessment process and the overall Lotterywest grant making principals and policies.

In the past year all Board recommendations have been approved by the relevant Minister responsible for Lotterywest.

National Presence

Our grants program continues to be of interest to others in Australia with this year invited presentations made at the Philanthropy Australia conference and the CPA Best Practice Grants Making Conferences.

In addition, we presented our grant program and the way we manage it at various Western Australian events.

The Coming Year

Over recent years we have observed an increasing interest in corporate sponsorship, philanthropy and other forms of giving and active participation in the community. We believe this to be a very important development in the relationship of business with the community and have been working for a number of years to encourage this movement.

We are closely involved in a number of significant community projects that are working to promote this, and to promote the not for profit sector as a critical element of the WA Community. We know that the sector is often best placed to deliver important services to address disadvantage, provide care, promote cultural development and strengthen individuals and families, to care for our natural and built heritage and to do so with quality and continued innovation.

Our work with these initiatives will continue.

This year a grant to the Western Australian Council of Social Services supported the community services sector to participate in the State Housing Taskforce. Similar grants will be explored for the new phase of relationship development between government and the community sector being signalled by both the State and Federal Government.

The trend over the last few years has been for an increase in the monetary value of grants sought from Lotterywest, and with more complex proposals being put forward requiring stronger development and assessment engagement with community organisations.

Particular areas of demand have included the disability sector, principally for support to enable people to develop and maintain independence, requests for facilities and infrastructure such as multipurpose community centres and playgrounds, accommodation for community agencies, events and celebrations, and emergency financial relief for those experiencing hardship. All the evidence suggests this trend will continue.

The Budget for the Direct Grants Program for 2009/10 has been approved at \$105 million. This level of available funds will allow us to continue to respond to the current community request, meet expected increased demand, as well as work with organisations in areas that have been prioritised as discussed above.

Lotterywest is proud to work with and support not for profit organisations across the total breadth of community life in Western Australia, and particularly to be reaching new organisations and communities.

We acknowledge and value the important services and initiatives provided by these organisations, and equally are ourselves inspired and rewarded by the relationships we have with those people who work within them.

Special Advisory Panels

A number of specialist Advisory Panels this year provided expert technical input and policy advice to our grant making.

The Disability Equipment Sector Advisory Group supports the Disability Equipment Grant Management Project managed by the Independent Living Centre. Members of the Panel are:

Ms Nicki Longmire

Chairperson, Independent Living Centre of WA

Ms Carol Solosy

Manager, Technology, Training & Employment Services, Association for the Blind

Mr Greg Madson

President, Blind Citizens Association of WA

Mr Peter McDonnell

Consumer Representative

Ms Lorraine Scholten

Manager Para Quadriplegic Association of WA Inc

Ms Tracey Delamare

Senior Social Worker, Rocky Bay Inc

Ms Angela Loran

Contract Coordinator, Therapy Focus Inc

Ms Sandra Wallace

Allied Health Manager, Multiple Sclerosis Society of WA Inc

Ms Melissa Chatley

Service Contract Development Officer, CAEP, Disability Services Commission

The Community Histories Technical Panel provides Lotterywest with advice in relation to the assessment of grant inquiries and/or applications in this specialist area as inquiries and grant applications as they are received. Members of the Panel are:

Mr Steve Howell

Senior Subject Specialist, JS Battye Library

Mr Malcolm Trill

Regional Representative

Dr Bobbie Oliver

Senior Lecturer, Curtin University

Ms Julie Zuvella

City of Nedlands, Local Studies

A Grant Maker for Our Times



Lotterywest supports screen production in WA through ScreenWest. On the set of the children's series *Lockie Leonard* filmed in Albany

STATUTORY ALLOCATIONS

The Department of Sport and Recreation

The Lotteries Commission Act provides that 5% of net subscriptions go to the Department of Sport and Recreation. This amounted to \$13.4 million this year and was directed to approximately 90 different State Sports Associations such as such as Hockey WA, Basketball WA and many others, and to regional areas for club development and Sports Development Officers.

The WA Institute of Sport is also supported through this allocation to the Department of Sport and Recreation. This year the Institute received \$4 million to support Western Australia's elite athlete development program. Support was also provided to communities to increase participation in physical activity.

The Department of Culture and the Arts

The Act provides the same distribution formula for arts as it does with sport. Lotterywest provided a statutory allocation of \$13.4 million to the Department for Culture and the Arts which enabled almost 50 cultural and arts organisations to deliver high-quality, innovative and accessible cultural and art experiences to diverse audiences.

The organisations benefiting from this support are many and varied. They include the State's major performing arts companies as well as a range of initiatives including Indigenous arts, regional arts, young people and the arts as well as theatre, dance, interdisciplinary arts, visual arts, craft, writing and music. Highlights this year included Spare Parts Puppet Theatre's 10 week national tour of its acclaimed work, *The Arrival*, FORM's

continued work on the Canning Stock Route Project involving 96 Indigenous artists, emerging curators, photographers, filmmakers, other creative talents and Ausdance WA hosting the 6th Australian Youth Dance Festival in Mandurah.

Lotterywest's partnership with the Department for Culture and the Arts also enables the Department, through Country Arts WA, to support regional touring arts activities across Western Australia.

The Health Department of WA

The Lotteries Commission Act also provides that 40% of net subscriptions (approximately 16% of sales turnover) must go to the Health Lottery Account held in Treasury for the support of the State's health services. This year \$107.1 million was provided to the Health Department to support the State's hospital system.

ScreenWest

In 2008/09, Lotterywest provided \$5.0 million to ScreenWest to support the Western Australian screen industry. This allocation is managed directly by Lotterywest as specified in the Act.

Films and television programs made in Western Australia are seen by hundreds of millions of people around the world. In Australia, local WA projects screen almost weekly on the national television networks.

In 2008/09 productions were filmed in locations across the State, including *Bran Nue Dae* filmed in Broome and Perth, *The Circuit – Series 2* in the Kimberley, *Lockie Leonard – Series 2* in Albany and *Wasted on the Young* in Perth.

Lotterywest support is also directed to the development of new media and digital technology initiatives, including the recording of Indigenous Elders and community member's stories, using high definition, broadcast-quality digital video equipment.



Lotterywest supports Perth International Arts Festival. SWERVE photographed by Toni Wilkinson

Perth International Arts Festival

As with the film industry, The Lotteries Commission Act specifies that Lotterywest must provide funding for the Perth International Arts Festival. The 2009 Festival was an outstanding success winning strong critical acclaim and positive support and feedback from patrons, sponsors and donors. This year, Lotterywest support was \$4.5 million.

Audience numbers were the highest ever, enjoying a rich program of paid and free events in Perth, the Great Southern, Geraldton, and throughout regional Western Australia, and was made even more accessible through pod casts, and broadcast through the web.

Particular highlights of the Festival this year included the newly commissioned theatre production War of the Roses, the Ballet du Grande Theatre de Geneve Mixed Bill – Dance, three pieces by significant contemporary choreographers, and the award winning Australian Premiere of The Flowering Tree, a collaboration between WA Opera, WASO and the Festival.

The Festival presented a unique opportunity for the community to enjoy remarkably diverse and high quality international art which enriched the lives of all who experienced it.



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City of Cockburn – Coolbellup Community Hub

Lotterywest provides significant support to the local government sector around the state.

The Coolbellup Community Hub will be a multi-functional facility that includes community activity and meeting spaces, matched with childcare, family, financial, vocational training and library services.

The upgrade and consolidation of community facilities and services will provide significant educational, recreational and social opportunities to the growing Coolbellup community, acting as a multi-functional and accessible hub.

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Lotterywest Community Voice – Veronique, Kerry, Peter, Gary (L-R back), Trish and Bev (front)



Peter discusses grant payments with a Lotterywest Auditor



Members of the Lotterywest Social Committee – Carol, Jennifer, Rob, Lesley and Louise



The General Manager and senior team from Business Operations (L-R) Mike, Glen, Maree (GM), Sanjoy, Chris and Trish

The significant business improvements of the past year means we are well placed to meet our business priorities for the forthcoming twelve months.

Our new information systems are largely consolidated. Our staff are undergoing training and development and plans are in place for more formalised planning and organisational development processes, all of which are supported by a comprehensive change management process. We continue to maintain a very positive outlook for the growth and development of our business during 2009/10.

STRATEGIC PLANNING

Lotterywest's strategic planning framework provides the platform to ensure we continue to meet our organisational objectives in delivering benefits to the Western Australian community.

Our approach to planning is based on our 'RITE' values of Rewarding, Inspiring, Trusted and Engaging. We also recognise and incorporate four key principles in our planning process. These are:

- To meet our primary objective of providing funds and support to the community of Western Australia
- To build and strengthen our relationships with our partners and stakeholders
- To adopt and promote responsible gaming practices, and
- To operate our business in an open and accountable manner

Each year Lotterywest reviews the strategic plan to confirm that our organisational objectives are still relevant and that our policies and processes are reflective of the changing business, economic and social environment.

This review looks at both internal and external elements.

Internal Environment

Sales Performance and Retail Network

Analysis of product sales, growth rates and sales trends. Review of retailer network performance, influence and impact on results and player preferences

Grant Funding

Evaluation of grant programs and effectiveness in meeting the needs of the community, application process and decision making criteria, and efficiency of distributing funds

Business Model and Technological Platform

Review of business effectiveness and efficiency in delivering services. Review of business structures, governance model and business support systems

Lotterywest People Development

Evaluation of organisational skills and capabilities and assessment of impact of development, educational and training programs. Review of resource levels, staff retention initiatives and staff health and wellbeing

External Environment

Economy

National, State and regional economic conditions and growth, inflation levels, discretionary spend levels and impact from petrol prices, interest rates, tax rates; consumer confidence, retail sales, lease rates

Social and Demographic

Population growth and trends, maturing workforce, demographic profiling; player trends and purchasing patterns, attitudes to gaming, community funding needs

Technology

Technological advances and influences, industry developments, new product initiatives, shopping trends and internet usage

Legislation and Policy

Legislative and government policies, State developments and industry changes, international trends and issues impacting governance

Infrastructure and Planning

State and local urban development, shopping centres, residential releases, community programs; regional development, local industry, employment.

State Government Planning Framework

Lotterywest's planning framework recognises and aligns to the State Government's policy agenda and their key objectives. Lotterywest supports the Government's priorities of social responsibility, environmental responsibility and economic sustainability.

Business Development

Lotterywest continues to work both independently and also together with our partners in the Australian lottery industry (the 'Bloc') to explore opportunities to extend existing products while researching possible new products suitable for the national and Western Australian market.

To this end, consumer choice and distribution methodology play an active part in determining what types of product development opportunities are pursued.

Running Our Business



Chris and Bev from Customer Enquiries

BUSINESS IMPROVEMENT

Our Systems

Lotterywest implemented its new gaming system, LOTOS, and new internal business systems, SAP, in June 2008.

Installation of the new gaming system in June 2008 was a success and its performance met expectations proving to be reliable and resilient with central system availability in excess of 99%.

The legacy business systems were a combination of off-the-shelf products and highly customised in house developed database and reporting systems. There were many linkages and dependencies between these systems resulting in high maintenance costs and extended lead times for improvements.

The new SAP system is constructed from standardised, fully-integrated modules configured to suit our business. This creates a shift from highly customised and proprietary systems to 'out-of-the-box' industry-standard systems.

The complete changeover will take two to three years to achieve.

To date the following has been achieved:

- The internal financial, purchasing, payroll systems replaced
- A customer and retailer management system installed; and
- The groundwork and technical infrastructure put in place for many other systems including business intelligence and grant management.

The next phase of developing SAP which has been called our Business Enhancement Project (BEP) includes meeting the grant management, retailer management and sales reporting needs of the organisation with SAP tools, including business intelligence (BI). Legacy systems will be gradually terminated and business processes streamlined to become more effective in delivering our objectives.

The BI tool is designed to integrate information from all SAP modules and LOTOS gaming data. BI is already installed at a basic level and will be developed to deliver management reporting, fill the gaps currently requiring ongoing use of legacy systems and to provide basic business analysis capabilities.

Business Process Improvement

As part of our business improvement program we are embarking on a business wide programme of reviewing all our business processes as part of the BEP project. This has been a significant challenge in balancing the need to maintain quality service delivery while instigating the improved practices and ultimately achieving more efficient business operations. Our aim is to:

- Provide the right business outputs
- Deal with stakeholders in a manner that is consistent with our values
- Provide services which are efficient and effective, and
- Where possible, are consistent with SAP standard system configurations

To do this, we have put in place a project to undertake analysis of the current business processes to review outputs of various work groups and in particular:

- The impact and validity of central agency, legal and internal policy requirements or constraints on the processes and output of the work group
- Inputs from other workgroups
- Legacy work practices
- System capabilities and constraints
- Published/documented business processes, and
- System configuration.

Changes identified will be managed through a comprehensive Change Management process led by our General Management Team.

Security & Risk Management

With World Lottery Association (WLA) Security Certification process as a catalyst, a significant review and enhancement of the Lotterywest security and risk management framework commenced.

This included enhancing the Security and Risk Management Committee to reflect a more holistic approach to security and risk related activities, and the development of new security policies that will be implemented during 2009/10.

This new framework will align Lotterywest with Western Australian Government expectations for security and risk management.

Awards & Recognition

The Australian Information Industries presented Lotterywest an iAward for Matrix and the Business Enhancement Project. This was in recognition for our efforts to improve services delivered to the Western Australian community through information and communication technology.

Hitwise, an international organisation that captures the online usage of millions of

Internet users, recognised Lotterywest as the most popular Western Australian Government website this year.

OUR PEOPLE

Lotterywest commenced the 2008/09 fiscal year with 210 people (193.5 full time employees) decreasing to 189 at its end. This reduction occurred as staff employed on fixed term contracts to perform jobs in the technology project formally known as Matrix project, left Lotterywest when their work in the project concluded.

Over the year our voluntary turnover rate, measuring only those employees who left their employment at Lotterywest following their decision to resign or retire, was 14.9%.

Recruitment activity dropped in 2008/09 from the levels of the previous two years, which had been driven by the need of the Matrix project. Our experience in staff recruitment in the past year has seen increasing numbers of people applying for jobs. Our attraction rate has increased sharply in the later half of 2008/09, compared to the low rates experienced over the previous two financial years.

Our plans for 2008/09 included a focus on increasing representation in our workforce of young and Indigenous people. The percentage of employees aged less than 25 years for 2008/9 decreased to 3.5% from 5.4% in 2008. Our objective was to achieve a target of 5% youth representation. At the end of 2008 we exceeded this objective although for 2009 this target was not achieved. The employment of Indigenous people for 2008/09 has not changed and is at 0.5% representation. This is still below our objective of 2%. Opportunities to target this diversity group in our recruitment for vacancies as they occurred throughout the year were limited, but we will continue to look for opportunities in the ensuing year to improve the level of representation consistent with our Reconciliation Action Plan.

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St Vincent de Paul Society

The St Vincent de Paul Society, or Vinnies as its fondly known, has been assisting people in need in WA since 1865.

Vinnies offers comfort and care through the delivery of emergency relief support that includes food, bedding, clothing and basic necessary living expenses, as well as providing dignity through Vincentcare services that assist the homeless and those living with a mental health diagnosis.

Over the years Lotterywest has provided significant grants to the St Vincent de Paul Society – the majority have been provided to assist with the provision of emergency relief.

The most recent grant is to substantially upgrade the organisation's communication technology. The new computer network will help Vinnies provide an efficient service to those in our community who need this vital support.

Share it Vinnies

Running Our Business



Lotterywest's Information Management Team – Davids, Linda and Shona

Our strong representation of women in senior management roles has been further improved, from 40% in 2008 up to 42% in 2009.

Historically, Lotterywest has also maintained strong representation of people with disabilities and from culturally and linguistically diverse backgrounds in our workforce. However, our employment of people from these diversity groups has been trending downwards in recent years and are now, along with Indigenous people, areas to focus on increasing representation in our workforce. For many of our staff, the past year has been focused on learning new ways of working, following the implementation of the new systems.

Employee Services

Our Employee Assistance Program (EAP) continues to be a valued source of assistance for staff dealing with work related or personal difficulties. Lotterywest extended our initial twelve month

	Equity Index as at 30 June 2009	Actual Representation as at 30 June 2009	Actual Representation as at 30 June 2008	2009 Objective	% Above or Below Objective
Women	77	58.20%	60.30%	NA	NA
People from culturally diverse backgrounds	69	11.90%	12.70%	17.00%	-5.10%
Indigenous Australians	16	0.50%	0.50%	2.00%	-1.50%
People with disabilities	29	2.00%	2.50%	5.00%	-3.00%
Youth	NA	3.50%	5.40%	5.00%	-1.50%

contract with the preferred provider of this professional and confidential, free service to staff. This preferred provider arrangement enabled Lotterywest to receive high level reports on overall staff usage of the service. 8% of Lotterywest staff accessed the EAP, and more than half of these people sought assistance for work related issues.

Lotterywest also seeks to build its staff health and well-being through the provision of our wellness program. This program, in its current structure is now well established, and in its fifth year. It continues to focus on providing opportunities for staff to increase their level of physical activity, the use of stress management strategies such as meditation and to enhance their knowledge and application of other factors, such as nutrition, that builds good health.

This year Lotterywest offered our third, bi-annual, Healthy Heart Check to all staff, which was taken up by approximately half of our staff. The results of this health screening service confirmed earlier screenings findings, that our predominately mature workforce has a mixed health profile.

Overall the staff who participated in the screening service scored better than the Australian population with regard to physical activity.

The screening results also indicated a greater emphasis on nutrition within our wellness program, which could be beneficial to target risks associated with high blood pressure and cholesterol. Other services provided to staff as part of our wellness program include circuit training and free access to a gym, staff funded on-site pilates, and annual on-site flu vaccination clinic.

Occupational Health & Safety

We continuously improve our safety and injury management processes, to ensure safety matters are managed collaboratively with our employees. We have an organisation wide (OSH) committee and a network of elected staff representatives.

There are a range of policies and procedures on manual handling, fatigue management, working in isolation, motor vehicle safety, and injury management. These documents are readily available on our Intranet and are practically reinforced in the workplace via our induction and general OSH training.

Our injury management system is documented and complies with the Workers Compensation and Injury Management Act 1981.

Lotterywest has recently conducted a self-assessment of its occupational health

and safety management system, using the WorkSafe Plan. The findings of this self-assessment will inform our efforts to enhance this management system in the coming year, focusing on the following priority areas:

- Review and disseminate the existing OSH Policy and include the features required by the WorkSafe Plan.
- Develop a comprehensive Safety Management Plan, using an evidence-based decision making approach, which includes clear objectives and strategies including any necessary training, responsibilities, resource requirements and an evaluation methodology.
- Promote and implement a hazard management approach, which is consistent with the Safety Management Plan, and is supported by robust data analysis.
- Promote the purpose and the achievements of the OSH Committee to help encourage more effective consultation between management and staff. In 2009 training was provided to staff on professional conduct and workplace behaviours including equal opportunity legislation and public sector standards. Training was also provided to line managers on their occupational health safety and injury management responsibilities, 104 staff attended.

ORGANISATIONAL DEVELOPMENT

At Lotterywest, we strive to be an employer of choice, by creating a positive enriching environment where staff are recognized for giving their best in working towards the achievement of our business goals.

This year we decided to transfer some elements of our human resource functions and place them under the responsibility of the General Manager Strategy and Planning where they would be more closely linked to our strategic planning processes and to the change activity required by the business systems changes. The organisational development

Financial Year	Number of Fatalities	Number of Lost Time Injury or Disease	Number of Severe Claims	Lost Time Injury Severity Rate
2007/08	0	0	0	0
2008/09	0	0	0	0

Data Definitions

<i>Financial Year</i>	<i>Claims lodged in the financial year, as at the end of that year.</i>
<i>Fatalities</i>	<i>Number of compensated work related fatalities.</i>
<i>Lost time injury or disease</i>	<i>The number of lost time injury/disease claims where one day/shift or more was estimated to be lost on claims lodged in the financial year.</i>
<i>Severe Claims</i>	<i>The number of severe injuries (estimated 60 days or more lost from work). An injury resulting in death is considered to have accounted for 60 days or more lost.</i>
<i>Severity Rate</i>	<i>The number of Severe Claims divided by the number of lost time injury/disease claims multiplied by 100.</i>

framework consists of the following elements:

- Lotterywest values and engagement
- Learning and development programs linked to the skills and competencies required to meet strategic business needs, and
- Business improvement and change management.

Lotterywest Learning & Development

Our learning and development initiatives focus on those activities and processes which have an impact on both organisational learning and individual learning.

The ways in which we develop our skills and knowledge for the purpose of supporting the organisation's business goals and objectives is varied. Learning takes place 'on-the-job' supplemented with more structured development activities.

The objectives of our learning and development activities are all clearly linked to Lotterywest's strategic plan. Learning and development covers a broad spectrum

of initiatives including formal Lotterywest provided training on specific topics, external seminars and conferences, other forums and networking events as well as support for staff participating in tertiary studies.

These activities and initiatives support each staff member's Individual Development Plan (IDP) as defined as part of our performance review process.

These have included specifically corporately arranged training on a variety of topics including compliance training for Public Sector Standards, leadership and management development, executive coaching and technical skill development.

- 12 senior managers continued their participation in the Deloitte Leadership Academy (DLA). The DLA provides an online learning program that develops the management and leadership skills of Senior Executives
- 13 people underwent individual Executive Coaching as a means of further developing themselves on a personal and professional basis

Running Our Business



(From L-R) Veronique, Claire, Sarah, Irena, Arthur, Jaye, Keith and Lorraine, participants in the Smith Family iTrack Mentoring Program

- 9 employees received study assistance (ie. financial assistance to complete tertiary qualifications). This was for a range of qualifications from diploma level to MBA
- Several teams attended Customer Service Essentials training
- Integrity training (ethics and values) incorporating changes outlined by the Department of the Premier and Cabinet was provided across the organisation.

Staff Conference

In December 2008, Lotterywest held its second Staff Conference. The conference program included a range of speakers and panel discussions which covered key organisational issues.

Keynote speakers included Professor Jan McMillen, a well known Australian expert on the gaming/gambling industry; Mr Geoff Reiser from Synovate, a market research company who discussed the importance of reputation and branding in the modern business world, and Mr Kim Collard, an Indigenous leader who gave us some important messages about what it means to be part of a community.

Reconciliation Action Plan

In November 2008 we launched our Reconciliation Action Plan (RAP). Our RAP is our commitment to achieving successful reconciliation outcomes with Indigenous members of our community. Lotterywest held a special ceremony to launch the plan. This included a welcome to country by an Indigenous elder, a didgeridoo player, traditional dance and a smoking ceremony. The Indigenous flag was then raised and is now flown everyday alongside the State and national flag. Lunch of traditional food was prepared for Lotterywest by Indigenous elders.

We invited members of the public, retailers and grant recipients to attend this special event. Prior to the RAP launch, Lotterywest's Leadership Group participated in a cultural awareness



Mark, Felicity and Janet celebrating the launch of the Lotterywest Reconciliation Action Plan

program around the Aboriginal culture and understanding around the need for a RAP.

Volunteering

Lotterywest is proud of the significant contribution many of our staff make to their community through work place initiated programs or individual volunteering. This is encouraged as it not only supports the community in which we participate but also motivates and provides opportunities to our staff to develop new skills.

Some of these initiatives have included:

- Drought Relief Program
- Cancer Council Biggest Morning Tea
- Relay for Life (Cancer fundraiser)
- Walk for The Cure (Diabetes)
- Disabled Children's Christmas Party
- Collections for Women's Refuges
- Collections for St Vincent de Paul Society
- Collections for Anglicare
- Collections for Salvation Army
- Cross Dress for Red Cross
- Smith Family – iTrack mentoring program
- Lentara Mens Hostel – weekly collection of food, toiletries and clothing items as part of our 'Not So Free' dress Friday.

Individual Volunteer Efforts

Many Lotterywest staff contribute their own personal time to their communities through a range of local and international volunteering activities that make a real difference. These people and their commitment to the community are recognised by Lotterywest through what is known as the 'Community Connect Awards.'

The winners of the awards receive cash donations for a charity of their choice.

Our Winner of 2008 Community Connect Staff Award

Sherrilee Kingston –
Corporate Communications Officer

Sherrilee is a member of the Bassendean Volunteer Fire and Rescue Service and during winter spends every Sunday at the Bullsbrook Racetrack, often called on to squeeze into the twisted metal to rescue drivers who have crashed at high speed. Sherrilee donated her prize money to the Morley Baptist Church Playgroup, Volunteer Fire & Rescue and the RSPCA.



Sherrilee Kingston, winner of the 2008 Community Connect Staff Award

Lotterywest Knitting Club

The Lotterywest Knitting Club is an example of an informal, spontaneous workplace volunteer group that has provided community support and touched the hearts of people worldwide for many years. The Club meets regularly knitting squares to create blankets, knee rugs and clothing.

Organisations that have benefited include refugees in Africa, tsunami victims in Indonesia, animal refuges, women's refuges, St Vincent de Paul Society, Anglicare and the Salvation Army Winter and Christmas appeals. More recently the Victorian bushfire victims benefited from the donation of boxes of knitted squares.



Members of the Lotterywest Knitting Club – Marion, Ruth and Kerry.

The contribution the staff of Lotterywest have made both professionally and personally to the achievements of the past year have been of the highest order. Not only have they demonstrated their loyalty to the organisation, they have shown a commitment to service in the community that goes far beyond professional duty. We are very proud of them.



Executive Team



In order of appearance (L-R)

Jacquie Thomson

General Manager – Grants & Community Development

Responsible for leading our grant making and community development activities.

Graham Lewis

General Manager – Corporate Services & Chief Finance Officer

Responsible for financial services, people management services and facilities.

Alec James

General Manager – Business Development

Responsible for leading the investigation and development of proposals for future business opportunities.

Jan Stewart

Chief Executive Officer

Don Wharton

Information Services & Chief Information Officer

Responsible for Lotterywest system operations and our information systems; both gaming system and management information. Leader of the Business Enhancement Project.

Maree Brown

General Manager – Business Operations

Responsible for leading our lottery operations including game management and product marketing, services to our retail network and players, and gaming system management.

Lorraine Driscoll

General Manager – Strategy & Planning

Responsible for leading strategic planning, business analysis, project management, organisational development and business system management.



In order of appearance (L-R)

Ms Freda Crucitti *(Board Member)*

Ms Crucitti is currently the Client Services Director of an accounting and financial planning firm, Tony Tilenni and Associates. Ms Crucitti was a registered psychologist for 27 years and worked for the Disabilities Services Commission in a variety of positions for 12 years. She has extensive experience in human service delivery, community development, advocacy and governance. She is a member of the Australian Institute of Company Directors. Ms Crucitti has continued her involvement within the disability sector in her capacity as the Chairperson of Therapy Focus Inc. Ms Crucitti has been a Councillor of the Royal Automobile Club of WA since 1995 and from 2005-2007 holding the position of President. In November 2008 Ms Crucitti became the President of the Australian Automobile Association. Both positions as President being the first for a female in both the organizations history. In February 2009 Ms Crucitti accepted a position on the Advisory Council for Mercedes College.

Mr Roger Lewis *(Board Member)*

Having left Perth in 1969, Mr Lewis worked in Melbourne, Sydney and Kuala Lumpur in accounting, finance and general management positions before returning to Perth in 1978 and joining Woodside Energy Ltd. In 22 years with Woodside, Mr Lewis held senior management positions in administration, commercial services, accounting and finance, retiring as Group Financial Controller in April 2000. Mr Lewis brings to the Board vast experience in commercial, financial and accounting matters and is a member of the Audit Committee. Mr Lewis is a member of the Australian Society of Accountants, as a Fellow Certified Practising Accountant (FCPA).

Mr Ray Bennett *(Board Member)*

Mr Bennett is the immediate past Chief Executive Officer of Racing and Wagering WA where he implemented planning and financial management strategies to create major improvements. He has a background in the finance industry as a general manager in retail banking, and has held consulting positions for an international accounting firm, financial institution and a legal firm.

Mr Clyde Bevan *(Chairman)*

Mr Bevan has served as President of the Swan Valley Tourism Council, Chairman of the Midland and Districts Youth Committee, Chairman of the Kalamunda Senior Citizen Centre and was a Member of the Kalamunda and Districts Hospital Board. He also spent four years as a Shire of Kalamunda councillor and was a member of the Swan Valley Development Committee. Mr Bevan is an award-winning restaurateur with extensive experience in the hospitality and entertainment industry.

Ms Patricia Tassell *(Board Member)*

Ms Tassell is the owner and Director of The Pursuits Group. She manages a staff of 85 people providing community nursing and homecare services for frail aged and disabled people in the Perth metropolitan area. Ms Tassell also manages a permanent staff of five who operate a registered training organisation in the aged care industry. Ms Tassell is the Chairman of Greyhounds WA and an ex-Director of Kingsway Financial Services Limited (a community branch of Bendigo Bank). She held the position of Chairman of the Joondalup Youth Support Scheme for 11 years and is now a Life Member of that organisation. Ms Tassell was the inaugural Chairman of Joondalup Lotteries House Inc from 1998 until 2002.

Mr Colin Campbell-Fraser *(Board Member)*

Mr Campbell-Fraser is Principal Adviser (External Relations and Advocacy) at The University of Western Australia. He provides advice to the Vice-Chancellor and Executive of the University to support the University's goal of achieving international excellence. He operates in high level management, supervision, planning, decision making and negotiation. A former senior journalist, Mr Campbell-Fraser has built a career in communications in both the public and private sectors. He has held senior policy and advisory roles serving Premiers, Cabinet Ministers and Chief Executive Officers of Government agencies. He is a Consultative Director of the Perth Convention Bureau and Member of the Governing Council of TAFE WA Central College.

(Not pictured)

Mr Campbell Ansell

(Audit Committee Chairman)

Mr Ansell has been the independent Chairman of the Audit Committee since 1992, having been appointed by the Board to support them in their governance. Subsequent Boards have renewed him. Campbell Ansell is a fellow of the Institute of Chartered Accountants. Previously he held the position of Chairman of the national accounting firm, Duesburys. As a chartered accountant he specialised in the area of audits and investigations. He is a Director of a number of public companies and has served on a number of State Government boards. Mr Ansell is appointed by the Board to provide independent expertise and oversight to the Audit Committee.



Rebecca and Tony from our Business Development team



Mary, Peter, Marion and Allan from our Grants Payment team



Alan and Jamie from our Information Service Desk



Brodie, Veronique and Irena from our Strategy and Planning team

Financials and Compliance Information



The Commission is the Lotteries Commission constituted by section 5 of the Lotteries (Control) Act 1954 and continued in existence by the Lotteries Commission Act 1990 (as amended) (the ACT).

The function of the Commission is to conduct lotteries and to perform any other function vested in it by the ACT.

The Commission can do all things necessary or convenient to be done for or in connection with the performance of its functions (Section 6 of The ACT).

The Board of Commissioners

The Commission consists of 6 members (Commissioners) appointed by the Minister. The term of office provided under the Act is up to three years and each Commissioner is eligible for reappointment.

The Commissioners as the accountable authority are responsible ensuring the preparation and submission to the Minister of a strategic development plan for the Commission and a statement of corporate intent for the Commission.

Composition of the Board of Commissioners

Commissioner	Date of Appointment	End of Term
Clyde Bevan – Chairman	25 Mar 2007	25 Mar 2010
Patricia Tassell	01 Jan 2008	31 Dec 2009
Freda Crucitti	25 Mar 2007	25 Mar 2010
Roger Lewis	25 Mar 2009	25 Mar 2012
Colin Campbell-Fraser	1 Jan 2008	31 Dec 2010
Ray Bennett	1 Jan 2008	31 Dec 2010

Meetings

The Board of Commissioners meets eleven times a year (February to December) for routine board meetings. The Commissioners also met three times for planning days.

Commissioner	Number of meetings held whilst a Commissioner	Number of meetings attended
Clyde Bevan – Chairman	14	13
Roger Lewis	14	12
Patricia Tassell	14	12
Freda Crucitti	14	12
Ray Bennett	14	13
Colin Campbell-Fraser	14	13

Commissioners' Duties

Schedule 1 of the ACT deals with Liability of members of the Commission and provides that no person (includes the Commission and those acting under the direction of the Commission) acting in good faith shall be subject to any action, liability, claim or demand. However this clause is made subject to the Statutory Corporations (Liability of Directors) Act 1996.

Schedule 1 of the Statutory Corporations (Liability of Directors) Act 1996 lists those persons who are directors for the purposes of this act. Members of the Commission are listed. Therefore the Commissioners are Directors for the purposes of this Act.

Under section 5(1) of the Statutory Corporations (Liability of Directors) Act 1996 a Commissioner has the same fiduciary relationship and duty to act with loyalty and in good faith as a Director of a company incorporated under the Corporations Act 2001. Other duties under the Statutory Corporations (Liability of Directors) Act include:

- Section 9: a duty to act honestly in the performance of the functions of his/her office
- Section 10: a duty to exercise reasonable care and diligence in the performance of the functions of his/her office
- Section 11: a duty not to make improper use of information acquired by virtue of his/her position as such to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the Commission; and

Financials and Compliance Information

- Section 12: a duty not to make improper use of his/her position as such to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the Commission.

Under the Financial Management Act 2006 Section 53 sets out the functions of the accountable authorities (defined for statutory authorities in Section 55 as the body having the general direction and control of, and overall responsibility for, the operations of the statutory authority). This includes but is not limited to:

- Ensuring Lotterywest operates in a manner that is efficient and economic and achieves Lotterywest's objectives
- Ensuring Lotterywest complies with the Financial Management Act, the Treasurer's instructions and any other written law applying to Lotterywest
- Custody, control and management of, and accounting for, all the public property or other property under control of Lotterywest; and
- Develop and maintain an effective internal audit function for Lotterywest.

The Lotterywest Board of Commissioners is a Governing Board, however it does not set the Chief Executive Officer performance and assessment, nor does it appoint the Chief Executive Officer. In respect to the relationship with the Chief Executive Officer therefore the Board has characteristics of both an advisory and governing board.

Compensation and Remuneration

Commissioners are entitled to such remuneration and allowances as determined by the Minister on the recommendation of the Minister for Public Sector Management.

Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the Minister for Public Sector Management under Section 45 of the Public Sector Management Act 1994. Section 47 of that Act places a legislative requirement on CEOs and their responsible authorities to complete a CEO Performance and CEO Assessment agreement in accordance with approved procedures (for Lotterywest this is Approved Procedure 2: Senior Executive Service).

Board Committees

Audit Committee and Internal Audit

The Audit Committee is a particularly important part of the Board's corporate governance responsibility. Since 1992 it has been the practice of the Board to appoint an independent Chairman, rather than a member of the Board.

The Chairman of the Audit Committee since that time has been Mr Campbell Ansell and other members of the Audit Committee are Board Chairman, Clyde Bevan and Commissioner Roger Lewis. The Audit Committee met four times during the year. All members attended each meeting.

Lotterywest's Internal Auditor is Ernst & Young. Lotterywest's Internal Auditor Charter and the Internal Audit Committee Charter provide the framework for the Internal Audit function. From time to time the Board establishes special purpose committees. One such sub-committee was the Matrix (the Information Systems change project) Board Sub-Committee.

This committee, also chaired by Mr Ansell, met 4 times during the year and was attended by Commissioner Roger Lewis (4 times), Commissioner Ray Bennet (3 times) and Board Chairman Clyde Bevan (3 times).

Insurance Premiums Paid to Indemnify Members of the Board

An insurance policy has been taken out to indemnify members of the Board against any liability incurring under Section 13 and 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid in 2008/09 was \$22,377. Board members contributed \$222 to this amount.

Legislation Impacting on Lotterywest

Enabling Legislation

The Lotteries Commission operates under the Lotteries Commission Act 1990 (as amended) (the Act) and in accordance with the rules and regulations governing the operation of lottery games. In April 2003, under the provisions of the Lotteries Commission Act, the Lotteries Commission adopted the trading name Lotterywest. Under the Act Lotterywest has the following responsibilities and powers:

- To conduct lotteries other than continuing lotteries in the whole or any part of the State
- To conduct games of Lotto
- To conduct Soccer Pools; and
- To perform any other function vested in it by the Act.

This last responsibility includes the role of distributing funds to eligible organisations in accordance with the provisions of the Act. Those provisions require that the Board make formal recommendations to the Minister for approval prior to grants being distributed. With respect to the proceeds of lottery sales the Act specifies that:

- A prescribed portion of the proceeds be allocated to specific State Treasury accounts for hospitals, sports and the arts

- A prescribed portion of the proceeds be allocated and distributed directly to 'eligible organisations', defined by the Act as local government authorities and not for profit community groups for benevolent and charitable purposes
- The Act also specifically names as beneficiaries the University of Western Australia (for the Perth International Arts Festival) and a 'body corporate' (ScreenWest) for the support of the Western Australian Commercial Film Industry
- Any residual funds, after the appropriate provisions for all remunerations, allowances, expenditures and expenses, is distributed directly to eligible organisations.

Ministerial Directives

The Act (Section 7) contains a provision that gives the Minister the power to direct Lotterywest with respect to its functions and powers (excluding the distribution of moneys under the section (22 and 24) relating to the grants function). No Ministerial directives were received during the financial year.

Other Legislation Impacting on Lotterywest

- Lotteries Commission (Cash 3) Rules 1998 (WA)
- Lotteries Commission (Designated Authorities) Regulations 1998 (WA)
- Lotteries Commission (Instant Lottery) Rules 1996 (WA)
- Lotteries Commission (OZ Lotto) Rules 1995 (WA)
- Lotteries Commission (Powerball Lotto) Rules 1996 (WA)
- Lotteries Commission (Saturday Lotto) Rules 1996 (WA)
- Lotteries Commission (Soccer Pools) Rules 1996 (WA)
- Lotteries Commission (Super 66) Rules 1996 (WA)
- Legislation Impacting on Lotterywest includes, but is not limited to
- Competition Policy Reform (WA) Act 1996 (WA)
- Copyright Act 1968 (Commonwealth)
- Corporation Act 2001 (Commonwealth)
- Corruption and Crime Commission Act 2003 (WA)
- Criminal Code Act 1913 (WA) and Criminal Code Act 1995 (Commonwealth)
- Disability Services Act 1986 (Commonwealth)
- Electoral Act 1907 (WA)
- Electronic Transactions Act 2003 (WA) and Electronic Transactions Act 1999 (Commonwealth)
- Fair Trading Act 1987 (WA)
- Financial Management Act 2006 (WA)
- Freedom of Information Act 1992 (WA)
- Gaming and Betting (Contracts and Securities) Act 1985 (WA)
- Gaming and Wagering Commission Act 1987 (WA)

- Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000 (WA)
- Industrial Relations Act 1979 (WA)
- Limitation Legislation Amendment and Repeal Act 2005
- Minimum Conditions of Employment Act 1993 (WA)
- Occupational Safety and Health Act 1984 (WA)
- Public Sector Management Act 1994 (WA)
- Public Interest Disclosure Act 2003
- Salaries and Allowances Act 1975 (WA)
- Spam Act 2003 (Commonwealth)
- State Records Act 2000 (WA)
- State Supply Commission Act 1991 (WA)
- Statutory Corporations (Liability of Directors) Act 1996 (WA)
- Superannuation Act 1990 (Commonwealth)
- Trade Practices Act 1974 (Commonwealth)
- Trustees Act 1962 (WA)
- Workers' Compensation and Injury Management Act 1981 (WA)
- Workplace Relations Act 1996 (Commonwealth)
- Workplace Relations Amendment (Work Choices) Act 2005 (Commonwealth)

Lotterywest has complied with all the requirements of the Financial Management Act 2006 and other relevant written law, controls have been exercised which provide reasonable assurance that: the receipt, expenditure and investments of moneys; the acquisition and disposal of public property; and incurring of liabilities have been in accordance with legislative provisions.

Risk Management and Corruption Prevention

Lotterywest adheres to the Australian/New Zealand Risk Management Standard 4360:2004. The Lotterywest Executive has committed organisational resources to ensure compliance. Where necessary, Lotterywest's insurers, RiskCover, provide expertise in strategic and operational risk.

During the 2008/09 year a Security and Risk Committee was established to provide a strategic direction for risk management at Lotterywest. The Chair and Deputy Chair of this committee attended a risk management symposium in Sydney which provided information on strategic risk management initiatives from organisations throughout Australia.

This Committee is currently undertaking planning for business continuity and the conduct of a business continuity exercise in August 2009. A review of risk management throughout Lotterywest is planned later in 2009.

Financials and Compliance Information

Information Statement

It is Lotterywest's policy to provide as much information as is possible to the public within the bounds of commercial requirements. During 2008/09 no Freedom of Information application was received.

Publications Available to the Public

The following publications, relating to the activities of Lotterywest, are available to the public from Lotterywest's headquarters:

- 2007-2011 Strategic Plan
- Lotterywest Information Statement
- Player guide brochures
- Lotterywest also maintains a web site for the public. This is available at: www.lotterywest.wa.gov.au and includes information on our organisation, game results and grants. Information on accessing this website is available upon request.

Corruption Prevention

To address corruption and misconduct in the organisation Lotterywest continues to support Integrity in the Workplace programs and a Code of Conduct which is issued to all new and existing staff in booklet form. Discipline Policy and Procedures are also circulated to staff through line managers.

Lotterywest has compulsory Confidentiality Agreements for staff and contractors working in identified areas where higher levels of risk exist, particularly in areas holding commercially sensitive information.

Record-Keeping Plan

Lotterywest is committed to records management practices that comply with the State Records Act 2000 and has an approved Recordkeeping Plan that is reviewed every five years. Lotterywest conducts recordkeeping training through an on-line training package called 'Recordkeeping Awareness Training', which is mandatory for all new staff and must be successfully completed within 3 months.

The efficiency and effectiveness of this training is constantly reviewed as the administrator of the system ensures each staff member successfully completes the course and assists any staff who may have difficulties achieving this. Included in the induction process a Corporate Information team member spends some time with the new staff member to ensure they are aware of their roles and responsibilities in regard to their compliance with the Lotterywest Recordkeeping Plan.

Advertising and Sponsorship

In compliance with the Electoral Act 1907, section 175ZE, Lotterywest is required to report on expenditure incurred during 2008/2009 in relation to advertising, market research, polling, direct mail and media advertising agencies. The required details, in accordance with Treasurer's Instruction 903, are as follows:

	2008/2009
Expenditure with Advertising Agencies	
Marketforce	\$3,887,499
Expenditure with Market Research Agencies	
Synovate (formally know as Market Equity)	\$46,350
Expenditure with Polling Agencies	
N/A	\$0
Expenditure with Direct Mail Agencies	
Leigh Mardon	\$331,443
Expenditure with Media Advertising Agencies	
Media Decisions	\$8,257,097
Total Expenditure	\$12,522,389

Public Interest Disclosures

Lotterywest developed a Public Interest Disclosure (PID) policy and procedures in 2004. These are available on the Lotterywest Intranet together with user guides to assist staff. Staff have also been informed about Public Interest Disclosure at the regular staff meetings. Within Lotterywest there are three PID officers from the Finance and Grants and Community Development area. In the 2008/09 financial period there were no public interest disclosures.

Complaints Handling Management

Customer complaints are handled through the customer enquiries and helpdesk functions of Lotterywest via the Customer Relationship Management (CRM) system which was commissioned in June 2008. The oversight of complaints handling lies with the Chief Financial Officer.

The CRM system captures all customer feedback and allows for a detailed and segmented analysis of the feedback. This system is part of the Enterprise Resource Planning System.

Pricing Policies on Outputs

Lotterywest has discretion to adjust the prices of its products, subject to Ministerial approval. For most products, price changes are subject also to agreement by Bloc partners.

Fees and Charges

Lotterywest's fee setting policy reflects Government guidelines that fees are set on the basis that cost recovery will not be exceeded and that the set fee is appropriate for the service being provided or sold.

Lotterywest is cognisant of the imposts levied on small business through various commercial arrangements and our fee setting policy is based on partial cost recovery. This is a deliberate strategy to contain the costs to small business, but to also seek a reasonable contribution towards the costs associated with retailing lottery products via small retail businesses.

Lotterywest provides a schedule of fees and charges in the Retail Standards and Procedures Manual available to all Lotterywest retailers. Additionally, details of fees and charges are incorporated in disclosure information provided to prospective retailers.

Lotterywest completes a review of fees and charges annually that is submitted to the Minister in accordance with Government guidelines.

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Board members or senior officers, or firms in which Board members or senior officers have substantial interests, had any interests in existing or proposed contracts. Such interests must be declared as part of the Declaration of Interest Policy.

Statement of Compliance with Public Sector Management Act s.31(1)

Lotterywest has complied with the Public Sector Standards in Human Resource Management and the Public Sector Code of Ethics and our Code of Conduct as follows:

Compliance with Human Resource Management Standards

All staff have access to information about the HRM Standards and human resource policies on the intranet. In 2008/09, there were no breach of standard claim lodged.

otterywest's People Management Services area utilises checklists for each of the Standards in administering the human resource function and actively reviews all transactions. Although all transactions dealing with the Standards are individually reviewed against the checklists, particular attention is given to reviewing recruitment decisions for compliance with the Recruitment and Selection Standard.

Compliance with Codes of Ethics and Codes of Conduct (Ethical Codes)

In the previous financial year Lotterywest completed a comprehensive review of our Code of Conduct including complementary integrity workshop training for all staff. In this financial year Lotterywest provided integrity workshop training for eight new employees and 104 employees, including 8 new employees.

Additionally, since the recent changes to the Public Sector Code of Ethics, Lotterywest has conducted an internal audit of our Guide to Ethical Decision Making to ensure it meets the latest ethical guidelines released in February 2008. As a result of this internal audit a few minor improvements were made for our code in the second half of 2008.

During the year, Lotterywest received five formal grievances against the code of conduct. Four grievances lodged in 2007/08 were carried over to this period. Eight cases were resolved.



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

LOTTERIES COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of the Lotteries Commission.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Commission's Responsibility for the Financial Statements and Key Performance Indicators

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".


An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Lotteries Commission
Financial Statements and Key Performance Indicators for the year ended 30 June 2009

Audit Opinion

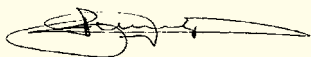
In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Lotteries Commission at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2009.


COLIN MURPHY
AUDITOR GENERAL
31 August 2009

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Lotteries Commission and fairly represent performance of the Lotteries Commission for the financial year ended 30 June 2009.



Clyde Bevan

Chairman

Accountable Authority

31 August 2009



Roger Lewis

Commissioner

Accountable Authority

31 August 2009

LOTTERYWEST KEY PERFORMANCE INDICATORS

Outcome statement

Lotteries are conducted with the proceeds returned to the community of Western Australia

Services

1. Sale of lottery products to the public of Western Australia
2. The provision of grants and other distributions to the community of Western Australia

Effectiveness indicators	Actual 2008/09	Budget 2008/09	Actual 2007/08	Actual 2006/07	Actual 2005/06	Actual 2004/05	Actual 2003/04
1. Total Sales Per Adult	\$416.61	\$385.04	\$391.46	\$365.01	\$339.22	\$332.80	\$327.50
2. Total Grants to Eligible Organisations Per Capita	\$107.04	\$98.83	\$98.47	\$90.14	\$82.60	\$81.22	\$77.12
3. Total Grants to Eligible Organisations as a % of Sales	32.48%	32.29%	31.66%	31.17%	30.84%	31.29%	30.19%
Efficiency indicators	Actual 2008/09	Budget 2008/09	Actual 2007/08	Actual 2006/07	Actual 2005/06	Actual 2004/05	Actual 2003/04
4. Lotteries Operations Expenses as a % of Sales*	6.06%	6.78%	6.35%	5.73%	5.71%	5.92%	6.20%
5. Grants Operations Expenses per \$ of Grants to Eligible Organisations	\$0.053	\$0.064	\$0.058	\$0.064	\$0.063	\$0.064	\$0.057

Note*: Lotteries operations expenses includes all administrative costs (excluding cost of sales) associated with the selling of lottery products

Base data	Actual 2008/09	Budget 2008/09	Actual 2007/08	Actual 2006/07	Actual 2005/06	Actual 2004/05	Actual 2003/04
a. Total Population (million)	2.1995	2.1341	2.1029	2.0716	2.0403	2.0036	1.9770
b. Adult Population (million)	1.7399	1.6966	1.6710	1.6410	1.6107	1.5628	1.5420
c. Total Sales (million)	\$724.86	\$653.27	\$654.13	\$599.00	\$546.37	\$520.10	\$505.01
d. Total Community Grants – excl grants not taken up (million)	\$235.44	\$210.92	\$207.08	\$186.73	\$168.52	\$162.74	\$152.47
e. Direct Grants – excl grants not taken up (million)	\$101.60	\$90.00	\$86.18	\$74.62	\$66.23	\$65.10	\$57.15
f. Total Lottery Expenses* (million)	\$515.23	\$471.32	\$468.14	\$422.15	\$384.79	\$367.55	\$356.80
g. Lotteries Operations Expenses (million)	\$43.93	\$44.32	\$41.52	\$34.31	\$31.17	\$30.81	\$31.30
h. Grants Operations Expenses (million)	\$5.37	\$5.80	\$4.96	\$4.77	\$4.18	\$4.14	\$3.28

Note*: Total lottery expenses includes the cost of sales (including prizes and retailer's commission) and all operational costs associated with the selling of lottery products and administering the grant funding

Note: For the purpose of these indicators, the Goods and Services Tax has been excluded from expense calculations

LOTTERYWEST KEY PERFORMANCE INDICATORS (AUDITED)

Lotterywest is the trading name of the Lotteries Commission which operates according to the provisions of the Lotteries Commission Act 1990 (as amended). This report on Key Performance Indicators refers to the Lotteries Commission as Lotterywest.

The primary objective of Lotterywest is to provide that:

Lotteries are conducted with proceeds returned to the community of Western Australia.

In realising this objective, Lotterywest undertakes two key services. Key Performance Indicators are provided for the two services conducted by Lotterywest:

- Sale of lottery products to the public of Western Australia; and
- The provision of grants and other distributions to the community of Western Australia

In accordance with Treasurer's Instruction 904, these indicators have been selected as fulfilling the required qualitative characteristics; relevance, appropriateness, verifiability, freedom from bias and quantifiability. The indicators are supported by explanatory notes where necessary.

Two distinct types of indicators are identified:

Effectiveness indicators – measure the extent to which outcomes are achieved; and

Efficiency indicators – compare resources input against resulting outputs.

Notes to the Key Performance Indicator tables

Effectiveness Indicators

1. This measure shows the effectiveness of Lotterywest in penetrating the playing market that is deemed to be the adult population in Western Australia. The increase in sales per adult this year and the favourable to budget variance can largely be attributed to the frequency and level of jackpotting of the OZ Lotto game. For the first time in the game's history, OZ Lotto jackpotted to \$90 million and recorded sales of \$29.7 million.

This is the highest level of sales achieved for a single Lotto draw to date. Also contributing to the strong sales result was the impact of the price increase for Saturday, Monday and Wednesday Lotto and the growing popularity of both the Monday and Wednesday Lotto games that were introduced to our players in May 2006.

Note: Adult population refers to the number of Western Australians of 16 years and over who are permitted by the Act to purchase lottery products.

2. This measure relates to Lotterywest's grant funding function which is to provide funds and support to the community of Western Australia.

The favourable to budget result this year is a consequence of the strong sales result as well as the decision taken by the Lotterywest Board to distribute accumulated reserves, as is prescribed by the Lotteries

Commission Act 1990, and increase direct grant funding to provide much needed support to charitable and community organisations at a time of increased need in the community.

3. This measure shows the effectiveness of Lotterywest in converting sales revenue to community grants. This year Lotterywest approved 32.48% of gross sales revenue as grants for the community. This is a favourable to budget outcome and continues a three year trend of improving results.

This level of conversion of sales revenue to grant funding is in excess of the requirements of the Act governing the Lotteries Commission that determines that approximately 27% of sales revenue must be returned in the form of grants to the Western Australian community.

Efficiency Indicators

4. This indicator shows the efficiency of Lotterywest in generating its sales revenue. It excludes the Grants Operations expenses and if applicable the carrying amount of non-current assets disposed of during the year. The result of 6.06% is favourable to budget and also an improvement on last year's performance. Although Lotterywest experienced an increase in operational expenditure during the year the performance was still favourable to budget and was also more than offset by the higher than expected sales result.
5. This measure shows the extent to which Lotterywest has maximised

grant funding to non profit and benevolent organisations while containing its operational expenditure related to distributing grants.

The result this year of \$0.053 in expenditure for every dollar of direct grant money distributed shows a considerable favourable variance to budget and prior year results. This is the result of the Grants team distributing more funds than planned due to the stronger than expected sales performance, and doing so within planned resource limits.

Base Data

- a,b)** Lotterywest uses population figures sourced from the Australian Bureau of Statistics (ABS) in calculating its performance indicators. The total population of Western Australia is used for Community Grants Indicators as all Western Australians benefit from the community funding grants program. Conversely, only the adult population figures are used for Lottery Product Indicators as only adults, aged 16 years and over, are permitted to purchase lottery products in Western Australia.
- c)** This shows Lotterywest's total annual gross sales for the financial year.
- d)** This item shows the total Community Grants distributed for the financial year, including both statutory and Direct Grants. This item excludes those grants allocated but not taken up.

- e)** This item shows the total of Direct Grants distributed for the financial year, excluding those funds allocated but not taken up.

This year some 1,322 not for profit and benevolent organisations benefited from Lotterywest's Direct Grants program.

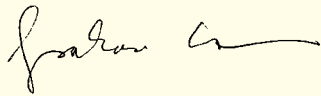
- f)** This figure reflects total Lottery Expenses including cost of sales – prizes of \$406.4 million, retailers' commission of \$59.5 million and total operational expenses of \$49.3 million for both the lotteries (43.9 million) and Grants function (\$5.4 million). It also includes, if applicable, the carrying amount of non-current assets disposed of during the year.
- g)** This figure shows the total operational costs in operating the lotteries business. It excludes the Grants Operations expenses.
- f)** This figures reflects the total costs in undertaking the Direct Grants funding administration and distribution function. It excludes Lotteries Operations expenses.

ANNUAL ACCOUNTS

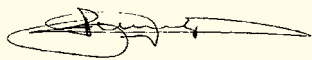
Certification of Financial Statements for the year ended 30 June 2009

The accompanying financial statements of the Lotteries Commission have been prepared in compliance with the provision of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2009 and the financial position as at 30 June 2009.

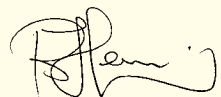
At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Graham Lewis
Chief Finance Officer
31 August 2009



Clyde Bevan
Chairman
Accountable Authority
31 August 2009



Roger Lewis
Commissioner
Accountable Authority
31 August 2009

Income Statement

For the year ended 30 June 2009

	Note	2009 \$000	2008 \$000
INCOME			
Revenue			
Sales	3	724,859	654,129
Interest Revenue	4	16,275	19,826
Other Revenue	5	11,895	11,393
Total Revenue		753,029	685,348
EXPENSES			
Expenses			
Cost of Sales	3	494,862	447,679
Lotteries Operations	7	43,927	41,519
Grants & Community Development Operations	8	5,374	4,964
Loss on Disposal of Non-Current Assets	6	4	—
Community Grants	9	233,788	205,514
Total Expenses		777,955	699,676
Loss Before Grants from State Government		(24,926)	(14,328)
Grant from State Government	10	28,942	26,019
Profit for the Period		4,016	11,691

The Income Statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2009

	Note	2009 \$000	2008 \$000
ASSETS			
Current Assets			
Cash and Cash Equivalents	27	3,721	3,837
Inventories	11	594	583
Receivables	12	42,096	13,305
Held to Maturity Financial Assets	13	199,177	165,601
Total Current Assets		245,588	183,326
Non Current Assets			
Held to Maturity Financial Assets	13	54,500	61,500
Work in Progress	14	688	397
Property, Plant and Equipment	15	26,078	28,568
Intangibles	16	21,750	15,743
Total Non Current Assets		103,016	106,208
Total Assets		348,604	289,534
LIABILITIES			
Current Liabilities			
Payables	18	177,099	127,645
Provisions	19	17,579	11,508
Sales in Advance	20	3,528	4,424
Total Current Liabilities		198,206	143,577
Non Current Liabilities			
Provisions	19	880	1,398
Total Non Current Liabilities		880	1,398
Total Liabilities		199,086	144,975
NET ASSETS		149,518	144,559
EQUITY			
Reserves	21	8,472	7,529
Retained Earnings	21	141,046	137,030
Total Equity		149,518	144,559

The Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2009

	Note	2009 \$000	2008 \$000
Balance of Equity at Start of Period	21	144,559	129,574
RESERVES			
Asset Revaluation Reserve			
Balance at Start of the Period		7,529	4,235
Revaluation Increment		943	3,294
Balance at end of Period		8,472	7,529
Retained Earnings			
Balance at Start of the Period		137,030	125,339
Profit for the Period		4,016	11,691
Balance at end of Period		141,046	137,030
Balance of Equity at End of Period		149,518	144,559

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2009

	Notes	2009 \$000	2008 \$000
Cash Flows from Operating Activities			
Receipts			
Sale of Goods and Services		701,125	664,965
Interest Received		17,144	19,263
GST Receipts on Sales		499	386
Payments			
Prizes and Retailers' Commissions		(429,344)	(416,505)
Suppliers and Employees		(48,840)	(29,033)
Community Grants		(76,013)	(74,964)
GST Payments on Purchases		(16,866)	(16,729)
GST Payments to Taxation Authority		(10,957)	(9,727)
Net Cash Provided by Operating Activities		136,748	137,656
Cash Flows from Investing Activities			
(Purchase) of Non Current Assets		(8,790)	(27,145)
(Purchase) of Investments		(26,576)	(17,647)
Net Cash (used in) Investing Activities		(35,366)	(44,792)
Cash Flows (to)/from State Government			
GST Reimbursements		25,502	25,142
Statutory Funding Payments		(127,000)	(119,000)
Net Cash (Provided to) State Government		(101,498)	(93,858)
Net (decrease) in Cash and Cash Equivalents		(116)	(994)
Cash and Cash Equivalents at Beginning of Period		3,837	4,831
Cash and Cash Equivalent Assets at End of Period	27	3,721	3,837

The Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2009

1. Australian Equivalents to International Financial Reporting Standards

Lotterywest is the trading name of the Lotteries Commission which operates according to the provisions of the Lotteries Commission Act 1990 as amended.

These financial statements refer to the Lotteries Commission as Lotterywest.

Lotterywest's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements Lotterywest has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

Early adoption of Standards

Lotterywest cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by Treasurer's Instruction 1101 "Application of Australian Accounting Standards and Other Pronouncement". No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by Lotterywest for the annual reporting period ended 30 June 2009. Consequently, Lotterywest has not applied the following Australian Accounting Standard that has been issued but is not yet effective. This standard will be applied from its application date:

Future Impact of Australian Accounting Standards not yet operative

- AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. Lotterywest does not expect any financial impact when the Standard is first applied.
- AASB 2009-2 This requires fair value measurement to be disclosed by the source of input, using the following three level hierarchy :
 - Quoted prices in active markets for identical assets and liabilities (Level 1)
 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (Level 2)
 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs) (Level 3)

2. Summary of Significant Accounting Policies

a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2009

b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land and buildings which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods unless otherwise stated.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

c) Income Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for major business activities as follows:

Sales revenue

Revenue is recognised from the sale of tickets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Sales revenue representing gross sales of all games of Lotto, Cash 3, Soccer Pools and Super 66, is recorded as at the date of the respective draw. Sales of instant lottery tickets are recognised when books of tickets are activated.

Grants, donations, gifts or other non reciprocal contributions

Revenue is recognised at fair value when Lotterywest obtains control over the assets comprising the contributions, usually when cash is received.

Other non reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Interest

Revenue is recognised as the interest accrues.

Gains

Gains may be realised or unrealised and are recognised on a net basis. These include gains arising on the disposal of non current assets and some revaluation of non current assets.

d) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, Lotterywest uses the revaluation model for the measurement of land and buildings and the cost model for all other property, plant and equipment. Land and buildings are carried at their fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions.

When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the written-down current replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure the carrying amount does not differ materially from the assets fair value at the balance sheet date.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

Depreciation of non current assets

All non current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is provided on the straight line basis, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	<i>50 years</i>
Leasehold Improvements	<i>10 years</i>
Equipment and Fittings	<i>5 to 10 years</i>
Computer Equipment	<i>3 to 8 years</i>

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets described in note 15 'Property, Plant and Equipment'.

e) Intangibles

All acquired and internally developed intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Costs incurred of less than \$5,000 are immediately expensed directly to the Income Statement.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually.

Notes to the Financial Statements

For the year ended 30 June 2009

All intangible assets controlled by Lotterywest have a finite useful life and zero residual value. The expected useful life for computer software is 5 to 8 years.

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

f) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised.

As Lotterywest is a not-for-profit entity, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement costs.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

g) Work in Progress

Costs associated with assets under development for use by Lotterywest are recognised as work in progress. Once completed, the assets are transferred to the appropriate asset account and are depreciated or amortised, as appropriate.

No depreciation is provided during construction of assets or on holding costs of Community Projects that are subsequently transferred as a direct grant.

h) Leases

Lotterywest has a number of government operating lease arrangements for motor vehicles, where the lessors retain effectively all of the risks and benefits incident to the ownership of the leased vehicles. Lotterywest also holds an operating lease for its business premises. Equal instalments of the lease payments are charged to the Income Statement over the lease term (i.e. on a straight line basis over the lease term), as this is representative of the pattern of benefits to be derived from the leased vehicles and business premises.

i) Financial Instruments

In addition to cash and cash equivalents, Lotterywest has four categories of financial instrument:

- Loans and receivables;
- Held to maturity investments (commercial bills, floating notes);
- Available for sale assets (floating note tied to an equity index); and
- Financial liabilities (finance leases, prizes and other payables, and community grants).

Initial recognition and measurement is at fair value. Subsequent measurement is at either amortised cost using the effective interest method or at fair value dependant on the type of financial instrument.

The fair value of short-term receivables and payables is the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

j) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents, These include cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

k) Inventories

Inventories are valued, on the first-in first-out basis, at the lower of cost and net realisable value.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

l) Receivables

Receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that Lotterywest will not be able to collect its debts. The carrying amount of receivables is equivalent to fair value as it is due for settlement within 30 days.

m) Investments and Other Financial Assets

Lotterywest classifies its investments into the following categories: loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. Investments not at fair value are initially recognised at cost being the fair value of consideration given, including directly attributable transaction costs.

After initial recognition, investments classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held-to-maturity when management has a positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Loans and receivables and held-to-maturity investments, such as commercial bills, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Lotterywest assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

n) Payables

Payables, including amounts not yet billed, are recognised when Lotterywest becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. Other than payables in respect of prizes and grants (see 2(o) and 2(p)), settlement generally occurs within 30 days, as a result the carrying amount is considered to be equivalent to fair value.

Notes to the Financial Statements

For the year ended 30 June 2009

o) Prizes

Division 1 prizes are paid two weeks after the date of the draw, subject to claim. The majority of other prizes are claimed and paid within a few days of the draw taking place.

Prize liabilities are recognised by draw for Lotto, Super 66, Cash 3 and Soccer Pools and activation of Instant lotteries by Retailers.

p) Grants to Eligible Organisations

Grants are recognised when approved by the Minister. Unconditional grants are paid in full within days of the Minister's approval. Conditional grants are paid as and when conditions are fulfilled.

If a grant is refunded but it is expected that it will be reissued, the amount is credited to the grant liability, otherwise the amount is written back.

When a grant is written back regardless of when it was approved, it is treated as a reduction of the current year's grant expenditure.

q) Provisions

Provisions are liabilities of uncertain timing and amount. Lotterywest only recognises a provision where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance date and adjusted to reflect the current best estimate.

Provisions – Employee Benefits

Annual leave and long service leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. All annual leave and unconditional long service leave provisions are classified as current liabilities as Lotterywest does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members, or to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. Lotterywest makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS Scheme are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided for at balance sheet date. The liabilities under these schemes have been calculated separately for each scheme annually by the GESB's actuaries using the projected unit credit method.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The GSS Scheme, the WSS Scheme, and the GESBS Scheme, where the current service superannuation charge is paid by Lotterywest to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS Scheme, the WSS Scheme, and the GESBS Scheme are extinguished by the concurrent payment of employer contributions to the GESB.

The Gold State Superannuation Scheme is a defined benefit scheme for the purpose of employees and whole of government reporting. However, from Lotterywest's perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

Superannuation expense

The superannuation expense of the defined benefit plan is made up of the following elements:

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

Actuarial gains and losses of the defined benefit plans are recognised immediately as income or expense in the income statement.

The superannuation expense of the defined contribution plans is recognised as and when the contributions fall due.

Provisions – Other

Employment on costs

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of Lotterywest's 'Employee benefits expense' and the related liability is included in Employment on-costs provision.

r) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the end of the financial year. Lotterywest considers the carrying amount of the accrued salaries to be equivalent to the net fair value.

s) Resources Received Free of Charge or for Nominal Value

Resources received free of charge or for nominal value which can be measured reliably, are recognised as revenues and as assets or expenses, as appropriate, at fair value.

t) Goods and Services Tax and Grants from State Government

The Goods and Services Tax (GST) is not applied to the consumption of gambling services. It is however, applied to the operators' margin defined as the subscription (wagering less sales commission) less the amount of prizes. Accordingly the State Government provides reimbursement to gambling operators (including Lotterywest) for GST paid on the operators' margin. Lotterywest applies the reimbursement to maintain the level of community grants.

Notes to the Financial Statements

For the year ended 30 June 2009

The GST paid on the operator's margin is disclosed as a cost of producing trading profit (see note 3). Treasurers' Instruction 1102 also requires the reimbursement of the GST to be disclosed as a grant from the State Government rather than offset against the cost to which it applies.

u) Foreign Currency Translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at reporting date are translated at exchange rates current at reporting date. Exchange gains and losses (if any) are brought to account in determining the result for the year.

v) Comparative Figures

Prior year comparatives have been reclassified, where necessary, to achieve consistency in disclosure and conform with presentation in the current financial period.

w) Reporting Entity

The reporting entity is the Lotteries Commission.

3. Trading Profit

	2009 \$000	2008 \$000
Sales	724,859	654,129
Cost of Sales		
Prizes	(406,395)	(368,130)
Commission paid to Lotterywest licencees	(59,525)	(53,530)
Goods and Services Tax (see note 2(t))	(28,942)	(26,019)
	(494,862)	(447,679)
Trading Profit	229,997	206,450

Allocation of prize monies represents approximately 50% to 65% of sales net of commission. The prize allocation for the national games is determined by the national Bloc members participating in the Lotto games except the gaming products run by the state independently.

The prize allocation for each game requires the approval from the Minister and the details are contained in the game permits.

The prize pool is supplemented from time to time by additional prizes, the values of which are included in the totals above.

Retailers are paid a commission for the sale of all products and Player Registration Service (PRS) subscriptions. PRS commission is deducted from reported PRS fee.

4. Interest Revenue

	2009 \$000	2008 \$000
Interest earned from investments	16,275	19,826

5. Other Revenue

	2009 \$000	2008 \$000
Forfeited Prizes	6,887	7,158
Retailers Fees	4,284	3,723
Players Registration Service Fee	530	127
Other Revenue	194	385
	11,895	11,393

Notes to the Financial Statements

For the year ended 30 June 2009

6 (Loss) on Disposal of Non Current Assets

	Note	2009 \$000	2008 \$000
Carrying amount of Disposal of Non Current Assets			
Property, Plant and Equipment		4	—
Proceeds from Disposal of Non Current Assets			
Property, Plant and Equipment		—	—
(Loss)		(4)	—

7. Lotteries Operations

		2009 \$000	2008 \$000
Employee Benefits Expense	22	11,487	10,669
Depreciation and Amortisation Expense		5,930	5,029
Telecommunications and Gaming Computer Expense		3,423	4,350
Sales, Marketing and Distribution Expense		16,964	17,844
Other Expense		6,123	3,627
		43,927	41,519

8. Grants and Community Development Operations

These expenses are salaries and other costs associated with the distribution of lottery funds as direct grants to eligible organisations. They are separated from other operating expenses in order that the financial performance is readily comparable with that of other lottery jurisdictions where the distribution of funds is an external function.

		2009 \$000	2008 \$000
Employee Benefits Expense	22	2,743	2,399
Depreciation and Amortisation Expense		279	280
Other Expense		2,352	2,285
		5,374	4,964

9. Community Grants

The Act mandates for the following allocations from net subscriptions of all products:

Statutory

40% to the Hospital Fund (State Treasury);
5% to the Arts Lotteries Account (State Treasury);
5% to the Sports Lotteries Account (State Treasury); and,

Direct

12.5% to eligible organisations for charitable or benevolent purposes and up to 5% in total for the Perth International Arts Festival and the Western Australian commercial film industry. Any remaining surplus from Lotterywest's operations is also available for distribution as direct grants.

	2009 \$000	2008 \$000
Hospital Fund	107,079	96,722
Arts Lotteries Account	13,385	12,090
Sports Lotteries Account	13,385	12,090
Perth International Arts Festival	4,500	4,601
Western Australia Commercial Film Industry	4,968	4,584
Direct Grants	92,127	76,992
	235,444	207,079
Less Grants Not Taken Up	(1,656)	(1,565)
	233,788	205,514

10. Grants from State Government

	2009 \$000	2008 \$000
GST reimbursement for gambling margin (see note 2(t))	28,942	26,019

11. Inventories

	2009 \$000	2008 \$000
Inventories Held for Sale – Instant Lottery Tickets	594	583

Notes to the Financial Statements

For the year ended 30 June 2009

12. Receivables

	2009 \$000	2008 \$000
Current		
Lotterywest Licencees	37,431	8,890
GST Receivable	4,166	2,344
Accrued Interest	842	1,711
Other Debtors and Prepayments	2	360
Allowance for Impairment of Receivables (a)	(345)	—
	42,096	13,305

- a) The allowance for impairment of receivable relates to a specifically identified receivable amount due from a retailer who is no longer part of the network. No receivables (including other debtors and accrued income) were past due or impaired at balance sheet date (other than the receivable provided for). All Lotterywest Licencees receivables are collected in the week immediately after the previous week's transactions through a direct debit banking system and this is consistent with prior year's receivables.
- b) Lotterywest holds Banker's guarantees from the Licencees as collateral against the money received by them on behalf of Lotterywest from the sales of the lottery products.

13. Held to Maturity Financial Assets

Lotterywest's investments conform with the Financial Management Act 2006 and the Trustees Act 1962 (as amended).

	2009 \$000	2008 \$000
Current Investments (maturity less than 1yr)		
Short Term Products	178,177	156,601
Floating Rate Notes	21,000	9,000
	199,177	165,601
Non Current Investments (maturity more than 1yr)		
Floating Rate Notes	54,500	46,000
Term Deposit	—	15,500
	54,500	61,500

14. Work in Progress

	2009 \$000	2008 \$000
Other Projects	688	397

15. Property, Plant and Equipment

		2009 \$000	2008 \$000
Land at Fair Value	(a)	4,693	4,397
		4,693	4,397
Buildings at Fair Value	(a)	8,900	8,425
		8,900	8,425
Works of Art at Fair Value		78	195
		78	195
Leasehold Improvements at Cost Less Accumulated Depreciation		1,159 (294)	1,159 (176)
		865	983
Equipment & Fittings at Cost Less Accumulated Depreciation		4,376 (1,774)	4,009 (1,116)
		2,602	2,893
Computer Equipment at Cost Less Accumulated Depreciation		13,535 (4,595)	15,433 (3,758)
		8,940	11,675
Total Net Book Value of Property, Plant & Equipment		26,078	28,568

- a) All land and buildings were revalued in accordance with an independent valuation report dated 1 July 2008 provided by the Western Australian Land Information Authority (Valuation Services). Valuation Services, the Office of Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (as at 1 July 2008) were compliant with fair value at 30 June 2009. Fair value has been determined on the basis of current market buying values. The increment arising from the valuations have been credited to the Asset Revaluation Reserve accounts in accordance with AASB 116.

Notes to the Financial Statements

For the year ended 30 June 2009

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

	Land	Buildings	Leasehold Improvements	Equipment & Fittings And Works of Art	Computer Equipment	Total
2009	\$000	\$000	\$000	\$000	\$000	\$000
Carrying Amount at Start of Year	4,397	8,425	983	3,088	11,675	28,568
Additions	—	—	—	643	407	1,050
Revaluation	296	475	—	—	—	771
Disposals	—	—	—	(392)	(2,305)	(2,697)
Depreciation	—	(172)	(118)	(1,045)	(3,142)	(4,477)
Depreciation on Disposals	—	—	—	386	2,305	2,691
Depreciation on Revaluation	—	172	—	—	—	172
Carrying Amount at End of Year	4,693	8,900	865	2,680	8,940	26,078

	Land	Buildings	Leasehold Improvements	Equipment & Fittings And Works of Art	Computer Equipment	Total
2008	\$000	\$000	\$000	\$000	\$000	\$000
Carrying Amount at Start of Year	3,327	6,362	1,087	2,062	2,493	15,331
Additions	—	—	—	1,296	10,431	11,727
Transfer	—	—	—	10	(201)	(191)
Revaluation	1,070	2,063	—	—	—	3,133
Disposals	—	—	—	(668)	(12,971)	(13,639)
Depreciation	—	(161)	(104)	(280)	(1,048)	(1,593)
Depreciation on Disposals	—	—	—	668	12,971	13,639
Depreciation on Revaluation	—	161	—	—	—	161
Carrying Amount at End of Year	4,397	8,425	983	3,088	11,675	28,568

16. Intangible Assets

	2009 \$000	2008 \$000
Computer Software	23,734	15,994
Less Accumulated Amortisation	(1,984)	(251)
	21,750	15,743

Reconciliations

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the current and previous financial years are set out below:

	Computer Software 2009 \$000	Computer Software 2008 \$000
Carrying Amount at Start of Year	15,743	3,849
Additions	7,740	15,419
Transfers	—	192
Disposals	—	(12,661)
Depreciation	(1,733)	(3,717)
Depreciation on Disposal	—	12,661
Carrying Amount at End of Year	21,750	15,743

17. Impairment of Non-Current Assets

There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2009.

Lotterywest held no goodwill or intangible asset with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2009 have either been classified as non-current assets held for sale or written off.

18. Payables

	2009 \$000	2008 \$000
Current Prizes		
Unclaimed Prizes in Current Year	32,190	16,633
Community Grants		
Hospital Fund	6,573	1,494
Arts Lotteries Account	1,220	335
Sports Lotteries Account	1,220	335
Direct Grants	115,481	91,555
	124,494	93,719
Other		
Trade Creditors	5,992	11,149
Other Creditors and Accruals	14,423	6,144
	20,415	17,293
Total Payables	177,099	127,645

Notes to the Financial Statements

For the year ended 30 June 2009

19. Provisions

	2009 \$000	2008 \$000
Current		
Employee Benefits Provision		
Annual Leave	1,255	1,443
Long Service Leave	1,327	1,232
Other Provisions		
Employee On Costs	414	175
Bonus Prizes (a)	14,583	8,658
	17,579	11,508
Non-Current		
Employee Benefits Provision		
Long Service Leave	496	838
Superannuation Entitlements (b)	305	505
Other Provisions		
Employee On Costs	79	55
	880	1,398
Total Provisions	18,459	12,906

- a) Provision for Bonus Prizes consists of amounts set aside for future bonus draws to promote sales.
 b) The liability for superannuation entitlements has been established from data supplied by the Government Employees Superannuation Board.

Lotterywest considers the carrying amounts of employee entitlements to approximate the net fair value.

Movements in Other Provisions

Movements in each class of provisions during the financial year, other than employees benefits are set out below:

	2009 \$000	2008 \$000
Bonus Prizes		
Carrying Amount at Start of Year	8,658	7,547
Additional Provisions Recognised	25,514	22,166
Transferred to Bonus Prizes	(19,589)	(21,055)
Carrying Amount at End of Year	14,583	8,658

20. Sales in Advance

	2009 \$000	2008 \$000
Monies received in advance for future draws	3,528	4,424

21. Equity

	2009 \$000	2008 \$000
Reserves		
Asset Revaluation Reserves (a)		
Balance at Start of Year	7,529	4,235
Asset Revaluation Increment	943	3,294
	8,472	7,529
Retained Earnings (b)		
Balance at Start of the Year	137,030	125,339
Result for the Period	4,016	11,691
	141,046	137,030
Total Equity	149,518	144,559

- a) The asset revaluation reserve is to record the increments and decrements in the fair value of land and buildings to the extent that they offset one another
- b) This represents the accumulated retained earnings at balance sheet date

22. Employees Benefits Expenses

	2009 \$000	2008 \$000
Lotteries Operation		
Wages and Salaries	10,095	9,057
Superannuation	1,166	1,125
Long Service Leave	(47)	225
Annual Leave	273	262
	11,487	10,669
Community Grants and Development Operations		
Wages and Salaries	2,411	2,090
Superannuation	279	214
Long Service Leave	(11)	44
Annual Leave	64	51
	2,743	2,399

Notes to the Financial Statements

For the year ended 30 June 2009

23. Depreciation and Amortisation Expense

	2009 \$000	2008 \$000
Depreciation		
Buildings	172	161
Computer Equipment	3,141	1,048
Furniture and Fittings	241	102
Plant and Equipment	687	177
Works of Art	117	—
Total Depreciation	4,358	1,488
Amortisation		
Leasehold Improvements	118	104
Intangible Assets	1,733	3,717
Total Amortisation	1,851	3,821
Total Depreciation and Amortisation	6,209	5,309

The above depreciation expense includes an amount of assets written down of \$299,090 as a result of the changed assets capitalisation policy.

24. Resources Provided Free of Charge

During the year the following resources were provided to Lotterywest free of charge for functions outside the normal operations of Lotterywest:

	2009 \$000	2008 \$000
Legal Services	12	16

25. Remuneration of Auditor

The total fees paid or due and payable to the Auditor General for statutory audits are as follows:

	2009 \$000	2008 \$000
Auditing the accounts, financial statements and performance indicators	105	110

26. Remuneration of members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

The number of Members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits received, or due and receivable, for the financial year, fall within the following bands:

	2009 No.	2008 No.
\$10,001 – \$20,000	—	4
\$20,001 – \$30,000	—	3
\$30,001 – \$40,000	5	—
\$60,001 – \$70,000	1	1
	6	8
Total Remuneration of the Members of the Accountable Authority	\$226,995	\$205,126

No members of the Accountable Authority are members of the Pension Scheme.

Remuneration of Senior Officers

The number of Senior Officers, other than Members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits received, or due and receivable, for the financial year, fall within the following bands:

	2009 No.	2008 No.
\$120,001 – \$130,000	—	1
\$130,001 – \$140,000	—	5
\$140,001 – \$150,000	3	—
\$150,000 – \$160,000	2	—
\$160,000 – \$170,000	1	—
\$170,000 – \$180,000	1	—
\$190,000 – \$200,000	—	1
\$240,001 – \$250,000	1	1
	8	8
Total Remuneration of Senior Officers	\$1,313,885	\$1,233,882

No Senior Officers are members of the Pension Scheme.

Notes to the Financial Statements

For the year ended 30 June 2009

27. Notes to the Cash Flow Statement

Reconciliation of Cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to related items in the Balance Sheet as follows:

	2009 \$000	2008 \$000
Cash and Cash Equivalents		
Cash at Bank	3,530	3,576
Cash on Hand	191	261
Total Per Cash Flow Statement	3,721	3,837

Reconciliation of Profit to Net Cash Flows provided by Operating Activities

	2009 \$000	2008 \$000
Profit for the Period	4,016	11,691
Non cash items		
Depreciation	6,209	5,309
Forfeited Prizes	(6,887)	(7,158)
Loss on Disposal of Non Current Assets	4	—
(Increase)/decrease in assets		
Trade Debtors	(28,196)	(3,099)
Work-in-Progress	(291)	3,596
Inventories	(11)	269
Accrued Interest	869	(661)
Other Debtors and Prepayments	361	7,747
Increase/(decrease) in liabilities		
Payables	28,370	5,154
Community Grants	30,773	11,324
Sales in Advance	(895)	2,066
Trade Creditors	(5,157)	8,062
Other Creditors and Accruals	8,279	(39)
Current Provisions	146	321
Non Current Provisions	(518)	144
Change in GST in Receivable/Payables	(1,822)	(928)
Net Cash Provided by Operating Activities After Cash Flows to State Government (Excluding Investing Activities)	35,250	43,798

28. Financial Instruments

a) Financial Risk Management Objectives and Policies

Financial instruments held by Lotterywest are cash and cash equivalents, commercial bills, term deposits, floating rate deposits, negotiable certificates of deposit, floating rate notes, and receivables and payables. Lotterywest has limited exposure to financial risks. Lotterywest's Treasury Policy Manual focuses on managing the risks identified below.

Credit Risk

Credit risk arises where there is a possibility that counterparties will default on settling receivables, interest payments or capital repayments (cash and held to maturity investments) resulting in financial losses to Lotterywest.

Credit risk exists in every credit arrangement. In measuring risk at a counterparty level there are three components. They are the probability of default by the counterparty, the current exposure to the counterparty and the likely recovery ratio on defaulted obligations.

With respect to cash and held to maturity investments:

- a) Probability of default: Lotterywest will only deal with counterparties that have a minimum credit rating issued by Standard and Poors of A- long term and A2 short term, which is above investment grade (BBB). Other credit rating agencies can be used at the equivalent of the Standard and Poors ratings. This provides a high probability of repayment.
- b) Current exposure to counterparties: Lotterywest deals mainly with major banks and financial institutions. The average exposure to these counterparties was \$273 million. The maximum exposure to each counterparty is determined by their credit rating. The higher the credit rating the greater the maximum exposure, subject to an upper limit of 30% for a AAA rated counterparty.
- c) Likely recovery ratio on defaulted obligations: Lotterywest does not trade securities, nor are there any investments in securities which have embedded derivatives. Consequently Lotterywest does not have exposure to adverse market movements in relation to capital repayment. Given the high credit quality of investments and the plain vanilla nature of those investments, the risk of default in relation to interest or capital is viewed as being low.

With respect to receivables, customers cannot pay for Lotterywest products on credit. Lotterywest collects these monies electronically from its retail network on a weekly basis and monitors the performance of retail outlets closely. All new retail outlets are requested to provide a bank guarantee equivalent to one week's takings. Consequently there is no material default risk for receivables. There were no bank guarantees called upon during this financial year.

Liquidity Risk

Liquidity risk arises when Lotterywest is unable to meet its financial obligations as they fall due.

Lotterywest maintains a balance between continuity of funding for operations and investments by appropriate use of cash flows, cash flow forecasts and short term investments in highly liquid products placed with major financial institutions. This ensures sufficient funds are available to meet commitments.

Market Risk

Lotterywest does not trade in foreign currency and is not materially exposed to other price risks. Lotterywest's exposure to market risk for changes in interest rates relate to the whole investment portfolio and changes in interest rates which impact on investment income (see sensitivity analysis at Note 28c). Lotterywest invests in the debt markets. Lotterywest has no borrowings. Other than as detailed in the interest rate sensitivity analysis table (Note 28c) Lotterywest has limited exposure to interest rate risks.

The primary objective of Lotterywest's investment portfolio is capital preservation whilst generating an appropriate return. Investment in high quality debt market products where all investments are held to maturity and all counterparties are above investment grade, ensures a positive return and low risk of capital loss. Interest rate rises result in greater profits, whilst lower rates have the opposite effect. However, there is only a low probability of capital losses.

Notes to the Financial Statements

For the year ended 30 June 2009

The current investment portfolio only contains vanilla bills and floating rate notes. There are no securitised products or products with embedded options. This conservative management means that Lotterywest has a low risk portfolio where capital preservation with moderate returns, dependent on the level of interest rates, is more than adequate to meet current and future planned expenditures.

b) Categories of Financial Instruments

In addition to cash and cash equivalents, the carrying amount of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2009 \$000	2008 \$000
Financial Assets		
Cash and Cash Equivalents	3,721	3,837
Receivables	42,096	13,305
Held to Maturity Investments	253,677	227,101
Financial Liabilities		
Payables	177,099	127,645

Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposure

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. Lotterywest maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of Lotterywest. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

Lotterywest holds bank guarantees as collateral for its retailer debtors.

Lotterywest does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Contractual Maturity Dates

	Weighted Average Interest Rate %	Variable Interest Rate \$000	Non-Interest Bearing \$000	Within 1 Year \$000	1-2 Years \$000	2-3 Years \$000	3-4 Years \$000	4-5 Years \$000	More than 5 Years \$000	Adjustment for discounting \$000	Total \$000
2009											
Financial Assets											
Cash and Cash Equivalents	2.95	3,721	—	—	—	—	—	—	—	—	3,721
Receivables	—	—	42,096	—	—	—	—	—	—	—	42,096
Other Financial Assets	5.25	—	—	199,177	22,000	—	17,500	14,000	1,000	—	253,677
		3,721	42,096	199,177	22,000	—	17,500	14,000	1,000	—	299,494
Financial Liabilities											
Payables		—	177,099	—	—	—	—	—	—	—	177,099
		—	177,099	—	—	—	—	—	—	—	177,099
2008											
Financial Assets											
Cash and Cash Equivalents	7.20	3,837	—	—	—	—	—	—	—	—	3,837
Receivables	—	—	13,305	—	—	—	—	—	—	—	13,305
Other Financial Assets	7.25	—	—	165,601	21,000	22,000	—	17,500	1,000	—	227,101
		3,837	13,305	165,601	21,000	22,000	—	17,500	1,000	—	244,243
Financial Liabilities											
Payables		—	127,645	—	—	—	—	—	—	—	127,645
		—	127,645	—	—	—	—	—	—	—	127,645

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

Notes to the Financial Statements

For the year ended 30 June 2009

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of Lotterywest's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed the change in interest rates is held constant throughout the reporting period.

As at 30 June, the cash rate is 3% (2008: 7.25%) and the Reserve bank Policy direction is set at MAINTAIN (2008: STEADY).

	Carrying amount	-0.5 % Change Profit	+1% Change Profit
2009	\$000	\$000	\$000
Financial Assets			
Cash and Cash Equivalents	3,721	(18)	37
Other Financial Assets	253,667	(1,268)	2,537
Total Increase/(Decrease)		(1,286)	2,574
2008			
	Carrying amount	-0.5 % Change Profit	+1% Change Profit
2008	\$000	\$000	\$000
Financial Assets			
Cash and Cash Equivalents	3,837	(38)	38
Other Financial Assets	227,101	(2,271)	2,271
Total Increase/(Decrease)		(2,309)	2,309

Fair value

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the specific notes.

29. Schedule of Income and Expenses by Services

Lotterywest has two services. They are provision of lottery products (Gaming) and Grants and Community Development (Community Grants), the latter being the distribution of funds derived from the lottery operations. Lotterywest operates in a single geographic segment, that being the state of Western Australia.

	Gaming		Grants		Total	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
REVENUE						
Sales	724,859	654,129	—	—	724,859	654,129
Interest Income	16,275	19,826	—	—	16,275	19,826
Other Revenue	11,895	11,393	—	—	11,895	11,393
Total Revenue	753,029	685,348	—	—	753,029	685,348
EXPENSES						
Expenses from Lotteries Operations						
Cost of Sales	494,862	447,679	—	—	494,862	447,679
Lotteries Operations	43,927	41,519	—	—	43,927	41,519
Community Grants and Development Operations	—	—	5,374	4,964	5,374	4,964
Loss on Disposals of Non Current Assets	4	—	—	—	4	—
Total Expenses	538,793	489,198	5,374	4,964	544,167	494,162
Profit before Community Grants	214,236	196,150	(5,374)	(4,964)	208,862	191,186
Grants from State Government	28,942	26,019	—	—	28,942	26,019
Less Grants Transfer	(243,178)	(222,169)	243,178	222,169	—	—
Amount Available for Distribution	—	—	237,804	217,205	237,804	217,205
Total Community Grants	—	—	233,788	205,514	233,788	205,514
Net Profit	—	—	4,016	11,691	4,016	11,691

30. Related and Affiliated Bodies

The Lotteries Commission Act 1990 (as amended) requires details of all grants to be listed separately which include amount of grant provided to any affiliated bodies. There were no related and/or affiliated bodies requiring disclosure for the year ended 30 June 2009 (or prior year ended 30 June 2008).

Notes to the Financial Statements

For the year ended 30 June 2009

31. Commitments for Expenditure

Capital Expenditure Commitments

Capital expenditure commitments being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:

	Note	2009 \$000	2008 \$000
Capital Expenditure Commitments	(a)		
Not later than one year		6,604	1,265
Operating Expenditure Commitments	(b)		
Maintenance support for Enterprise Resources Planning & Online Gaming system			
Not later than one year		1,612	—
Later than one year but not later than five years		2,626	5,586
		4,238	5,586
Lease Commitments			
Commitment in relation to leases contracted at the reporting date but not recognised in the financial statements as liabilities are payable as follows:			
Non Cancellable Property Lease Commitments	(c)		
Not later than one year		304	192
Later than one year but not later than five years		1,217	768
Later than five years		735	653
		2,256	1,613
Cancellable Operating Lease Commitments	(d)		
Not later than one year		112	104
Later than one year but not later than five years		111	68
		223	172
Total Commitments		13,321	8,636

- This relates to the acquisition of a new online gaming system, grant management financial system and record management system.
- This relates to the yearly maintenance support fees for the operation of the enterprise resources planning and online gaming systems, referenced to note (a) above.
- The property lease is a non cancellable lease with an eleven year term commencing from 1 December 2005, with rent payable monthly in advance. Contingent rent provision within the lease agreement requires that the minimum lease payments shall be increased by CPI in the initial year and market review for every two years thereafter.
- These amounts were provided by the Department of Treasury and Finance and relate to Lotterywest's motor vehicle lease arrangements which operate under the State Fleet Funding Facility contract. Lotterywest's leases are generally for two or three year periods. It is likely that Lotterywest's current leasing arrangements will continue. However, no commitment is included for later lease renewals.

32. Events Occuring after the Balance Sheet Date

There have been no events subsequent to balance date which would have a material effect on Lotterywest's financial statements at 30 June 2009.

33. Explanatory Statement

The following tables provide details of significant variations between actual revenues and expenditures for the financial year compared with the corresponding items for the preceding year and the corresponding items in the budget.

Significant variations are considered to be those where the amount is deemed as being in excess of \$1,000,000.

Significant Variations between Actual Revenues and Expenditures for 2008/09 and Actual Revenues and Expenditures for 2007/08

	Note	2009 Actual \$000	2008 Actual \$000	Variance \$000
Revenue				
Sales	33.1	724,859	654,129	70,730
Less: Cost of Sales				
Prizes	33.2	406,395	368,130	38,265
Retailers' Commission	33.2	59,525	53,530	5,995
Goods and Services Tax		28,942	26,019	2,923
Total Cost of Sales		494,862	447,679	47,183
Trading Profit		229,997	206,450	23,547
Other Revenue				
Interest	33.3	16,275	19,826	(3,551)
Forfeited Prizes		6,887	7,158	(271)
Retailer Fees		4,284	3,723	561
Player Registration Service Fee		530	127	403
Other		194	385	(191)
Total Revenues from Lottery Activities		28,170	31,219	(3,049)
Expenses				
Lotteries Operations	33.4	43,927	41,519	2,408
Community Grants & Development Operations		5,374	4,964	410
Total Expenses from Lottery Activities		49,301	46,483	2,818
Profit before Community Grants		208,866	191,186	17,680
Total Community Grants				
Direct Grants	33.5	99,939	84,612	15,327
Hospital Fund	33.5	107,079	96,722	10,357
Sport/Arts Lotteries Accounts	33.5	26,770	24,180	2,590
Total Community Grants		233,788	205,514	28,274
GST Reimbursement for Gambling Margin		28,942	26,019	2,923
Loss on Disposal of Non Current Assets		4	—	4
Net Profit		4,016	11,691	(7,675)

Notes to the Financial Statements

For the year ended 30 June 2009

33.1 Sales

Lotterywest's sales revenue grew significantly this year predominantly as a result of the frequent and high level jackpots of OZ Lotto. For the first time in the game's history, OZ Lotto jackpotted to \$90 million and recorded sales of \$29.7 million. This is the highest sales achieved for a single lotto draw to date. Also contributing to the strong sales result was the impact of the price increase for Saturday, Monday and Wednesday Lotto and the growing popularity of both the Monday and Wednesday Lotto games that were introduced to our players in May 2006.

33.2 Cost of Sales

Prize allocation and commission paid to retailers for selling products are directly linked to sales. The sales increase of 10.8% over the previous year resulted in a proportionate increase of prizes and retailers' commission.

33.3 Interest

The 2008/09 investment portfolio averaged to \$304.0 million, which is 11.5% more than last year. The interest rate, however, went down from 7.25% to 5.21% in 2008/09. The net effect of the increased size of the investment portfolio and the falling interest rate delivered annual investment income of \$16.3 million. This is \$3.5 million (17.9%) lower than last year.

33.4 Lotteries Operations

The increase in the Lotteries operations costs this year were the result of several contributing factors.

- An increase in depreciation and amortisation costs of computer equipment resulting from the replacement of the old gaming system with new technology.
- An increase in staff related costs resulting from the increase in temporary and contract staff positions to resource the implementation of new gaming and business system technology
- An increase in administrative and overhead costs including increased maintenance requirements and rent of the head office property.

33.5 Total Community Grants

Statutory funding to Hospitals, Sports and the Arts is distributed according to section 22 of Lotteries Commission Act 1990 and is directly linked to the level of sales recorded. The 10.8% increase in sales in 2008/09 resulted in the proportionate increase in the hypothecated grants.

Direct Grants are distributed according to sections 19 and 24 of the Lotteries Commission Act 1990. The increase in sales in the current year resulted in additional funds being available for direct grant distribution. Additionally, the direct grants result also reflects the decision taken by the Lotterywest Board to distribute accumulated reserves, as is prescribed by the Lotteries Commission Act 1990, to provide much needed support to charitable and community organisations at a time of increased need in the community.

Operating Budget

In accordance with the Treasurer's Instruction 953, this statement shows the 2009/10 Budget estimate for the Income Statement. This statement is not subject to audit. The Minister approved the budget in May 2009.

	2010 Budget \$000	2009 Actual \$000	Variance \$000
INCOME			
Revenue			
Sales	717,165	724,859	(7,694)
Interest Revenue	9,000	16,275	(7,275)
Other Revenue	9,791	11,895	(2,104)
Total Income	735,956	753,029	(17,073)
EXPENSES			
Expenses			
Cost of Sales	490,106	494,862	(4,756)
Lotteries Operations	43,853	43,927	(74)
Community Grants and Development Operations	5,500	5,374	126
Loss on Disposal of Non-Current Assets	0	4	(4)
Community Grants	237,801	233,788	4,013
Total Expenses	777,260	777,955	(695)
Loss Before Grants from State Government	(41,304)	(24,926)	(16,378)
Grant from State Government	28,600	28,942	(342)
Profit for the Period	(12,704)	4,016	(16,720)

Notes to Budget

Lotterywest's budget for the financial year 2009/2010 considers the key business requirements for the coming year as well as the current economic environment .

The sales budget of \$717.2 million was established based on the support of key marketing initiatives and growth through increased play frequency with a focus on retailer support. Consideration was also given as to the statistical probability of the level and frequency of jackpots in the jackpotting games.

Unusually, this sales budget is less than the actual sales result achieved this year. This is a result of the exceptionally high level and frequency of OZ Lotto jackpots that occurred in 2008/09 and the impact this had on annual sales. OZ Lotto jackpotted to \$90 million and recorded sales of \$29.7 million, the highest sales for a single draw in Western Australia. This is statistically unlikely to occur again for some years and has therefore not been included in the 2009/2010.

Total community grant funding budgeted for 2009/2010 financial year totals \$237.8 million and includes funding to Hospitals of \$106.2 million, Sports \$13.3 million, Arts \$13.3 million and direct grants of \$105.0 million. In total, this represents 33.2% of gross sales and a \$4 million increase over the allocation this year. The budget also reflects the decision taken by the Lotterywest Board to distribute accumulated reserves, as is prescribed by the Lotteries Commission Act 1990 (as amended) and increase direct grant funding budget to \$105 million. This will mean that Lotterywest is planning to distribute direct grant funding in excess of statutory requirements by \$58.5 million.

Notes to the Budget

Interest Revenue is anticipated to be significantly (45%) lower than the outcome of the 2008/09 financial year resulting from the low interest rate currently available on the market.

Forfeited prizes income is also expected to decline as a result of the greater number of players choosing to register with the Players Registration Service which consequently reduces the number and amount of unclaimed prizes.

The cost of Lotteries operations is planned to be at the same level as this year, representing 6.9% of gross sales. This is below our internal benchmark ratio of less than 7% of gross sales.

The budgeted net result of a \$12.7m deficit is based on the strategic decision to distribute surplus reserves back to the community in the form of additional direct grant funding. Lotterywest will maintain sufficient reserve levels to allocate and manage this additional funding in a phased approach and will monitor funding activity regularly. Should Lotterywest receive a particularly important grant application in the course of the year, it is possible for us to manage cash flows to enable us to provide necessary support.

Five Year Summary of Financial Data

For the year ended 30 June 2009

Statement of Financial Performance	2006 Actual \$000	2007 Actual \$000	2008 Actual \$000	2009 Actual \$000	2010 Budget \$000
Sales Revenue	546,366	598,996	654,129	724,859	717,165
Less Cost of Sales					
Prizes	304,967	334,278	368,130	406,395	402,567
Retailers' Commission	44,470	48,795	53,530	59,525	58,939
Add Other Revenue					
Interest	12,536	15,941	19,826	16,275	9,000
Forfeited Prizes	5,413	4,089	7,158	6,887	5,000
Retailer Fees	3,113	3,483	3,723	4,284	4,281
Player Registration Service	177	126	127	530	500
Loss on Disposals of Non Current Assets	(53)	(45)	—	(4)	—
Other	407	188	385	194	10
Net Revenue	218,522	239,705	263,688	287,105	274,450
Less Expenses					
Operating Expenses	35,353	39,077	46,483	49,301	49,353
Profit	183,169	200,628	217,205	237,804	225,097
Less Community Grants	166,207	184,721	205,514	233,788	237,801
Net Profit/ Loss	16,962	15,907	11,691	4,016	(12,704)
Assets					
Held to Maturity Financial Assets	170,692	185,954	227,101	253,677	245,120
Other Current Assets	19,246	22,049	17,725	46,411	45,145
Non Current Assets	33,333	46,673	44,708	48,516	44,550
Total Assets	223,271	254,676	289,534	348,604	334,815
Liabilities	111,290	125,102	144,975	199,086	198,001
Net Assets	111,981	129,574	144,559	149,518	136,814

This table is included as a supplement to the Annual Report to provide the reader with an overview of the Lotterywest's performance and expectations. The Goods and Services Tax payable on the gambling margin and the grant and subsidies from State Government have not been included in this statement. However, it does not affect the five year summary on the net profit and net assets position.

Direct Grants Summary

Direct Grants Summary

	Requests Approved		Amount Granted	
	2009 No.	2008 No.	2009 \$000	2008 \$000
Total requests on agenda	1,356	1,317	114	101
Total approved requests	1,322	1,270	102	87
Total requests not approved	34	47	3	3

Direct Grants Program Summary

	Requests Approved		Amount Granted	
	2009 No.	2008 No.	2009 \$000	2008 \$000
Community Cultural	246	228	3,937	4,038
Community Sector Development	89	86	1,556	1,576
Community Support and Development				
Community Facilities	95	90	16,143	17,086
Community Support	198	188	18,614	14,260
Community Support – Specific	8	0	40	0
Emergency Relief	102	95	2,260	1,716
Emergency Services	21	15	3,304	1,747
Social Research	2	2	229	602
Special Initiatives	16	21	10,622	8,276
Special Years Initiatives	1	1	249	211
Cultural & Natural Heritage				
Cultural Heritage	113	132	2,982	3,237
Natural Heritage	42	41	1,924	2,357
Priority Groups with Special Needs				
Indigenous People	56	56	4,442	4,901
Children	116	120	4,056	3,016
People with Disabilities	101	84	13,973	8,049
Seniors	59	47	3,403	2,084
Young People	53	61	4,420	4,465
Statutory Allocations as recommended by the Commission				
Perth International Arts Festival	2	2	4,968	4,601
Film Industry	2	1	4,500	4,584
Less Grants not taken up in the current year			(27)	(629)
Total Net Grant Approvals			101,595	86,177

Lotterywest Grant List

Organisation Name	Amount Granted \$		
55 Central Inc	124,457	Augusta Margaret River Tourism Association Inc	23,117
A Cappella West Inc	15,000	Augusta River Festival Inc	5,973
Abortion Grief Counselling Association Inc	40,926	Augusta Telecentre Inc	10,000
Acacia Support Centre Inc	34,525	Augusta Volunteer Sea Rescue Group	43,310
Access Housing Association Inc	1,500	Australia Day Council of WA Inc	97,000
ACE (Association For Competitive Employment) Inc	20,000	Australian Army Cadets Association WA Inc	50,000
Activ Foundation Inc – Bunbury	14,685	Australian Association for Environmental Education Inc – WA Chapter	2,500
Activ Foundation Inc	2,415,620	Australian Association of Gerontology Inc – WA Division	13,600
Activ Foundation Inc – Activ Recreation & South Metro Recreation	2,160	Australian Family Association – WA Branch	4,545
Activ Foundation Inc – Pavonia Heights Atwell	2,143	AFC & RAAF Assn WA Division – Aviation Heritage Museum of WA	28,535
Adoption Research & Counselling Service Inc	10,000	Australian Kidney Foundation	57,501
Aged & Community Services WA Inc	34,343	Australian Medical Procedures Research Foundation Ltd	368,492
Agencies for South West Accommodation Inc	44,000	Australian Railway Historical Society WA Division	62,488
Agility Club of WA	5,000	Australian Sandalwood Network Inc	6,524
Airborne Forces Association of WA Inc	2,457	Australian Trust for Conservation Volunteers – North West	50,000
Albany Film Society Inc	4,735	Australian Youth Events Inc	27,471
Albany Gateway Inc	41,000	Australian–Asian Association of WA Inc	27,900
Albany Injury Prevention Association Inc	8,050	Australind Senior High School Emergency Services Cadet Unit	4,546
Albany Lions Community Care Centre WA Inc	3,241	Autism Association of WA Inc	4,022,500
Albany Maritime Foundation Inc	25,000	Autumn River Events Association Inc	20,000
Albany Regional Family History Society Inc	10,500	Avon Community Employment Support Centre – Midland	150,000
Albany Regional Hospital Radio Heartbeat	4,968	Avon Valley Arts Inc	9,100
Albany Secondary Education Support Centre Bush Rangers WA Cadet Unit	4,025	Avon Valley Environmental Society Inc	5,936
Albany Youth Support Association Inc	19,457	Avon Youth Community & Family Services Inc	4,000
Alchera Living Inc	12,203	AWESOME Arts Australia Ltd	410,000
Alchera Living Inc – Weeronga Social Club	6,091	Balga Detached Youth Work Project Inc	124,742
Alliance for Children at Risk Inc	11,278	Balga Job Link Inc	5,490
Alternative Technology Association Inc	25,000	Balga Senior High School Child Care Centre Inc	24,030
Alzheimer's Australia WA Ltd	56,036	Bangladesh Australia Association of WA Inc	7,881
Amana Living Inc	800,000	Banksia Park Residents Social Club	2,158
Anglicare WA Inc	364,000	Baptist Union of WA – Mt Barker	6,600
Apostolic Church Australia Ltd – SWA City Church	20,000	Baptist Union of WA – Toodyay Baptist Church	161,752
Armadales Gosnells Landcare Group Inc	16,337	Bay of Isles Community Outreach Inc	13,681
Armadales Lotteries House Management Committee Inc	36,047	Bayswater Playgroup Inc	15,000
Armadales/Gosnells Regional Neighbourhood Watch Association Inc	11,293	Bayulu Community Inc	66,746
Art & Cultural Development Council of Geraldton Inc	5,460	Beaumaris Primary School Parents & Citizens Association Inc	15,000
Art In The Sand	5,000	Bertram Primary School Parents & Citizens Association Inc	5,058
Artatac – Busselton Beach Festival Inc	27,500	Better Hearing Australia Inc – Bunbury Branch	2,233
Arthritis Foundation of WA Inc	38,950	Bibbulmun Track Foundation Inc	21,740
Arts Margaret River Inc	40,600	Bicton Environmental Action Group Inc	5,945
Arts Radio Ltd	545,991	Bindoon Playgroup	4,953
Association for Services to Torture & Trauma Survivors (ASeTTS) Inc	5,000	Binningup Community Association Inc	2,941
Association for the Blind of WA Inc	979,017	Birds Australia WA Inc	34,580
Association of Civilian Widows of WA Inc	5,000	Black Cockatoo Preservation Society of Australia Inc	124,537
Association of Independent Retirees (A.I.R.) Ltd – Perth Northern Suburbs Branch	3,040	Blind Citizens WA Inc	7,680
		Bloodwood Tree Association Inc	43,551

Lotterywest Grant List

Blue Gum Montessori School Inc	4,000	Burdiya Aboriginal Corporation	14,934
Blue Sky Community Group Inc	12,000	Busselton Allsports Inc	11,395
Blues at Bridgetown Inc	20,000	Busselton Joeys Playgroup Inc	7,677
Boab Festival At Derby	9,270	Busselton Senior Citizens Centre Inc	10,041
Boccia Rebels WA Inc	1,150	Busselton Volunteer Marine Rescue Group Inc	20,800
Boddington Playgroup	5,000	Byford Community Kindergarten Association Inc	15,000
Boogurlarri Community House	25,963	Calingiri Playgroup	2,653
Boyup Brook Telecentre Inc	30,000	Calvary Youth Services Mandurah Inc	22,410
Bridges Association Inc	7,769	Canning Arts Group	10,000
Bridgetown Family & Community Centre Toy Library	5,000	Cape to Cape Catchments Group Inc	123,301
Bridgetown Repertory Club Inc	4,500	Capel Fest Inc	20,000
Brightwater Care Group – Joondalup	9,700	Capital Community Radio Inc	136,339
Brightwater Care Group Inc	18,384	Care Through Fitness Inc	167,900
Brightwater Care Group Inc – Bentley	30,440	Career Enterprise Centre Emergency Services Cadets	5,000
Brightwater Care Group Inc – Cannington	15,846	Carnarvon Art & Crafts Workshop Inc	10,923
Brightwater Care Group Inc – Oats Street	15,000	Carnarvon Family Support Service Inc	10,000
Bringing Them Home Committee WA Inc	10,000	Carnarvon Festival Inc	7,559
Broome Aged & Disabled Services Inc	96,850	Carson Street School Parents & Citizens' Association Inc	4,485
Broome Community Information Resource Centre & Learning Exchange	20,000	Cat Sterilisation Society Inc	26,800
Broome Telecentre Association Inc	12,540	Caver's Leeuwin Inc	15,000
Broome Toy Library Inc	5,724	Celebrate WA Inc	111,841
Broome Volunteer Sea Rescue Group Inc	8,500	Centacare Kimberley Association Inc	10,500
Brownlie Towers Residents Committee Inc	4,322	Central Agcare Inc	10,000
Bruce Rock Telecentre Inc	22,985	Central Midlands Agricultural Society Inc	3,127
Bub Buds Playgroup	5,000	Central Midlands Senior High School Emergency Services Cadets	5,000
Bullsbrook Neighbourhood Centre Inc	16,494	Centre for Advocacy Support & Education For Refugees Inc	72,049
Bulup Kulung Inc	35,527	Centrecare Inc	417,529
Bunbury & Districts Meals On Wheels & Senior Citizens Association Inc	1,382	Centrepont Church Inc	7,500
Bunbury Carnava Association Inc	10,000	Cerebral Palsy Association of WA Ltd	32,858
Bunbury Community & Child Care Association (Milligan House) Inc	10,970	Challenge Brass Band Inc	12,000
Bunbury Diocesan Trustees – Anglican Campsite Busselton	10,907	Champion Lakes Christian Church Inc – Southside Care	6,000
Bunbury Diocesan Trustees – Anglican Parish of Busselton	3,592	Charity Link Inc	130,000
Bunbury Diocesan Trustees – Anglican Parish of Carey Park	72,152	Child Migrants Trust Inc	96,000
Bunbury Diocesan Trustees – Anglican Parish of Dunsborough	7,000	Children's Hospital Child Care Centre Association	16,237
Bunbury Diocesan Trustees – Anglican Parish of Wagin	16,600	Children's Services Support Unit WA Inc – Millars Well Early Learning Centre	72,467
Bunbury Diocesan Trustees – Christs Church, Mandurah	29,410	Chittering Wildlife Carers Inc	8,899
Bunbury Diocesan Trustees – St Johns Church, Capel	22,410	Choir Nadeshiko	1,600
Bunbury Diocesan Trustees – St Johns Community Centre – Albany	500,000	Christian City Church Joondalup Inc	4,722
Bunbury Diocesan Trustees – St Marys Community Care (Busselton)	22,931	Christian Family Church Inc	11,171
Bunbury Oral History Group Inc	6,100	Church of Christ, Wembley Downs Inc	7,480
Bunbury Pathways 92 Inc	29,551	Churches' Commission on Education Inc	208,870
Bunbury Regional Hospital Comforts Fund Inc	3,000	Circle of Song	5,000
Bunbury Regional Theatre Inc	67,000	Citizen Advocacy Perth West Inc	3,141
Bunbury Sea Rescue Inc	10,000	City Beach Primary School Parents & Citizens Association Inc	6,810
Bunbury Timber Jetty Environment & Conservation Society Inc	20,500	City of Albany	165,794
Burdekin – Youth In Action Inc	24,280	City of Albany Band Inc	14,000

City of Armadale	20,000	Coco C Bay Social Club	5,000
City of Armadale – History House Museum	8,000	Collectibles Society of WA Inc	1,246
City of Bayswater	75,000	Collegium Symphonic Chorus Inc	14,789
City of Belmont	120,000	Collie Art Group	13,500
City of Belmont – Youth & Family Services Centre	115,500	Collie Child Care & Early Learning Centre Inc	123,851
City of Bunbury	85,000	Collie Family Centre Inc	11,017
City of Canning – Canning River Eco Education Centre	22,915	Combined Probus Club of Leeming	2,389
City of Cockburn – Coolbellup Community Hub	1,149,200	Communicare Inc	65,000
City of Fremantle	124,318	Community Bridge Club	4,413
City of Fremantle – Fremantle Festival	40,000	Community Development Foundation	250,955
City of Fremantle Symphony Orchestra Inc	15,000	Community Legal Centres Association WA Inc	23,244
City of Geraldton–Greenough	10,000	Community Midwifery WA Inc	304,726
City of Geraldton–Greenough – Queens Park Theatre	60,000	Community Vision Inc	177,611
City of Gosnells	32,614	Como Community Kindergarten Inc	9,603
City of Joondalup	73,000	Compassionate Friends of WA Inc	17,085
City of Kalgoorlie–Boulder	6,170	Congolese Community of WA Inc	11,866
City of Mandurah	20,000	Conservation Council of WA	230,534
City of Mandurah – Billy Dower Youth Centre	143,917	Constable Care Child Safety Foundation Inc	224,242
City of Mandurah – Halls Cottage	57,768	Coolgardie Day Celebrations Inc	13,402
City of Mandurah – Mandurah Community Museum	15,000	Coolgardie Gem & Mineral Club Inc	7,469
City of Melville	53,949	Corrigin Creative Arts Club	8,807
City of Melville Bridge Club	15,000	Corrigin Toy Library	3,000
City of Melville Citizens Relief Fund	12,000	Cottesloe Toy Library Inc	4,383
City of Nedlands	9,820	Council For International Students of WA Inc	23,900
City of Perth	565,000	Council on the Ageing WA Inc	89,174
City of Perth – Youth Advisory Council	1,944	Country Arts WA Inc	90,000
City of Rockingham	20,000	Country Music Club of Boyup Brook WA Inc	18,482
City of South Perth	183,451	Country Women's Association of WA	100,000
City of Stirling	44,000	Cranbrook Tourist & Business Promotion Group	4,865
City of Stirling – Regional Community Shed Project	970,000	Create Foundation Ltd	20,797
City of Subiaco	5,805	Creative Albany Inc	5,000
City of Swan	35,000	Crewsaders Dragons Abreast Bunbury Inc	11,650
City of Swan – SWA Riverside Regional Park	905,000	Crime Stoppers WA Ltd	81,818
City of Swan – Yagan Memorial Park	398,988	Cross Cultural Christian Communicators Inc	12,000
City of Wanneroo	74,046	Crosslinks Inc	62,335
City of Wanneroo – Alexander Heights Adult Day Centre	4,888	Crossways Community Services Inc	12,000
City of Wanneroo – Hainsworth Centre	7,542	Cunderdin & Districts Telecentre Inc	19,849
City of Wanneroo – Quinns Rocks Adult Day Centre	4,888	Cunderdin Day Care Inc	70,195
Claisebrook Lotteries House Association Inc	1,977,260	Curtin University of Technology – Kalgoorlie Campus	40,000
Clontarf Foundation Inc	9,375	Dalwallinu Clubhouse Early Learning Centre Inc	15,000
Clontarf Foundation Inc – Yule Brook Football Academy	43,636	Dalyellup Beach Community Association Inc	3,000
Coalition for Asylum Seekers, Refugees & Detainees Inc	20,472	Dardanup Bull & Barrel Festival Inc	12,395
Coalition of Peoples Inc	19,990	Dardanup Land Conservation District Committee	10,000
Coastal Scottish Pipe Band WA Inc	8,200	Darkan Arts Council	8,003
Cockburn Regional Seniors Group	5,000	Darling Downs Residents Association Inc	9,000
Cockburn Senior Citizens' Association	1,560	Darlington Arts Festival Association Inc	15,000

Lotterywest Grant List

Daughters of Charity Services WA (T/A Ruah Community Services)	568,061	Esperance Miniature Railway Society Inc	15,000
Daughters of Charity Services WA Ltd – Ruah Refuge	9,000	Esperance Senior High School Bush Rangers WA Cadet Unit	3,655
David Wirrpanda Foundation Inc	21,761	Esperance Theatre Guild Inc	25,675
Dawesville Playgroup	1,953	Esther Foundation Inc	142,989
Denmark Arts Council	24,595	Ethnic Communities Council of WA Inc	61,157
Denmark Education & Innovation Centre Inc	51,461	Event Assist Inc	10,000
Denmark Environment Centre Inc	10,363	Ewin Centre Children Services Inc	10,118
Denmark Telecentre Inc	23,584	Exmouth Community Support Group Inc	10,000
Derbarl Yerrigan Health Service Inc	12,150	Exmouth Cultural Arts Centre Inc	5,319
Derby Toy Library	5,000	Exmouth Volunteer Marine Rescue Group Inc	23,500
Diabetes Association of WA Inc	8,400	Extra Edge Community Services Inc	89,869
Dianella/Waverley Playgroup Inc	13,350	Fairbridge Festival Inc	13,575
Disability & the Arts, Disadvantage & the Arts WA Inc (DADAA)	311,197	Fairbridge WA Inc	10,000
Disabled Childrens Foundation Inc	4,546	Family Partnership Training Australia Inc	4,015
Dongara Telecentre Inc	7,789	Fauna Rehabilitation Foundation	123,935
Doodlakine Community Committee Inc	44,752	Federation of Housing Collectives	4,900
Down Syndrome Association of WA Inc	9,800	Federation of WA Police & Community Youth Centres Inc	137,547
Dreamfit Foundation Inc	9,015	Federation of WA Police & Community Youth Centres Inc – Gosnells	75,335
Drug Arm WA Inc	15,520	Federation of WA Police & Community Youth Centres Inc – Kensington	44,000
Dumbleyung Playgroup	4,646	Federation of WA Police & Community Youth Centres Inc – Roebourne	5,834
Dunsborough & Districts Progress Association Inc	5,000	Festival of the Wind Inc	20,000
Dunsborough Art Society	11,224	Financial Counsellors Resource Project of WA Inc	14,578
Dutch Singers Inc	13,048	Fitzgerald Biosphere Group Inc	29,970
Early Childhood Intervention Australia WA Chapter Inc	2,048	Fleet Air Arm Association of Australia – WA Division	5,000
Eastern Goldfield Young Mens Christian Association Inc	11,123	Foley Village Social Club	4,070
Eastern Metropolitan Regional Council (EMRC)	258,947	Foodbank of WA Inc	4,290,000
Eastern Region Domestic Violence Services Network Inc	13,520	Foothills Information & Referral Service Inc	16,000
Eastlake Church Inc	20,269	Forest Lakes Lifestyle Village Residents	5,000
Edmund Rice Camps for Kids WA Inc	10,000	Forest Lakes/Thornlie Family Centre Inc	48,995
El Shaddai Kwinana Christian Fellowship Inc	15,000	Forrestdale Primary School Parents & Citizens' Association Inc	8,388
ELBA Inc	1,104	Foundation Housing Ltd	115,306
Emama Nguda Aboriginal Corporation	11,549	Fragyle Inc	9,612
Emmaus Community Inc	247,019	Fremantle Multicultural Centre Inc	108,444
Em-Tech Inc	36,670	Fremantle Surf Life Saving Club Inc	400,000
Enable Southwest Inc	49,318	Fremantle Volunteer Sea Search & Rescue Group	7,831
Environmental Research Group Augusta	5,000	Friends of Attadale Foreshore Inc	6,262
Environs Kimberley Inc	50,000	Friends of Autism	38,000
Epilepsy Association of WA Inc	25,168	Friends of Battye Library Inc	849,000
Escape, Youth Group Inc	22,713	Friends of Bold Park Bushland Inc	33,842
Escare Inc	5,000	Friends of Companion Animals Society Inc	6,789
Esperance Aboriginal Corporation	1,200	Friends of Ellis Brook Valley Inc	2,658
Esperance Christian Family – Assembly of God Inc – Esperance Care Services	12,000	Friends of Kings Park Inc	2,580,000
Esperance Community Arts Inc	7,909	Friends of the Cape to Cape Track Inc	15,382
Esperance Community Kindergarten Inc	13,117	Friends of Woodman Point Recreation Camp Inc	61,583
Esperance Lotteries House Association Inc	20,656	Fullness of Life Centre Inc	20,000

Garl Garl Walbu Alcohol Association Aboriginal Corporation	100,000	Harvey Health & Community Services Group Inc – Family Support Program	6,000
Gascoyne Aboriginal Heritage & Cultural Centre Inc	13,987	Harvey Mainstreet Inc	18,150
Gawooleng Yawoodeng Aboriginal Corp – Kununurra Crisis Accommodation Centre Inc	3,000	Health Agencies of The Yilgarn	4,590
Gay, Lesbian, Bisexual, Trans & Intersex Retirement Association Inc	110,495	Health Consumers Council WA Inc	29,224
Genetic Support Council WA Inc	22,745	Health Services Family Association Inc	12,728
Geographe Bay Yacht Club Inc	2,000	Heart Kids WA	5,000
Geraldton City Band Inc	15,000	Hedland Well Women's Centre Inc	8,000
Geraldton Cultural Trust	12,223	Hellenic Australian Chamber of Commerce & Industry WA Inc	15,000
Geraldton Greenough Sunshine Festival Inc	10,000	Helping Out People Everywhere Inc	10,000
Geraldton Historical Society	10,000	Henri Nouwen House Inc	5,336
Geraldton Resource Centre Inc	25,000	Hepatitis WA Inc	58,689
Girl Guides WA Inc	78,244	Here 2 Help (H2H) Inc	15,000
Givlife Inc	5,598	Hillarys Out of School Care Inc	5,000
Glen Forrest Sports Club Inc	5,055	Hillarys Out of School Care Inc – Bambara Vacation & After School Care	5,000
Glyde-In Community Learning Centre Inc	60,956	Hills Community Support Group	2,383,125
GnoWAGERup Aboriginal Corporation	110,000	Hills Community Support Group – Open Options	15,853
GnoWAGERup Heritage Group Inc	23,400	Hocart Lodge Aged Centre Inc	10,633
Goldfields Individual & Family Support Association Inc	15,000	Holyoake Australian Institute for Alcohol & Drug Addiction Resolutions Inc	98,463
Goldfields Regional Toy Library Inc	5,200	Hopetoun Progress Association Inc	2,173
Good News Broadcasters Inc	346,155	Hudson Road Family Centre Inc	13,835
Good Samaritan Industries	7,309	Humpty Dumpty Toy Library Inc	15,000
Goomalling Historical Society	3,000	Ilkurlka Aboriginal Corporation	165,362
Gosnells Community Legal Centre Inc	80,512	Independent Living Centre of WA Inc	1,452,560
Gosnells Community Support Service Inc	2,700	Indian Society of WA	15,000
Gosnells Toy Library Inc	6,828	Inglewood Community Church Inc	5,300
Gosnells Women's Health Service Inc	40,474	Injured Persons Action & Support Association of WA Inc	10,458
Government House Foundation of WA	181,000	Inspire Foundation	758,126
Gowrie WA Inc – Lady Gowrie Child Care Centre Karawara	3,340	Interchange Inc	78,954
Gowrie WA Inc – Lady Gowrie Child Care Centre Kewdale	17,340	Investing In Communities WA Inc	63,900
Gowrie Community Services WA Inc	15,000	Investing In Our Youth Inc	11,500
Grace Assembly Nollamara Inc	3,000	Ishar Multicultural Women's Health Centre Inc	64,757
Graylands Hospital Volunteer Service Inc	14,500	Italian Aged Care Inc	50,280
Great Southern Community Housing Association Inc	24,727	Italo-Australian Welfare & Cultural Centre Inc	10,000
Greek Orthodox Community of WA Inc	9,000	Jacaranda Community Centre Inc	20,000
Green Skills Inc	31,282	Jarrahdale Heritage Society Inc	3,550
Greenbushes Aged Community Committee Inc	60,000	Jerramungup Telecentre Inc	25,626
Greenbushes Telecentre Inc	5,398	Jewish Care WA Inc	5,000
GROW	13,679	Jigalong Community Enterprises Pty Ltd	14,065
Guildford Village Potters Club Inc	14,192	Joblink Enterprises Inc	12,146
Gurlongga Njininj Association Inc	51,343	Joondalup Youth Support Services Inc	64,455
Habitat For Humanity WA Inc	104,164	Joongari House\Wyndham Family Support Inc	4,000
Hackett Playgroup Inc	15,000	June O'Connor Centre Inc	393,901
Haemophilia Foundation Australia Inc	13,879	Jungarni-Jutiya Alcohol Action Council Aboriginal Corporation	52,138
Halo Leadership Development Agency Inc	289,499	Jurien Bay Telecentre Inc	17,008
Harvey Dickson's Blackwood River Country Music Inc	15,000	Jurien Bay Volunteer Sea Rescue Group, Inc	25,120

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Kalamunda Community Radio Inc	14,677	Leinster Toy Library Association Inc	14,702
Kalamunda District Bridge Club	7,000	Lesmurdie Baptist Church	16,000
Kalamunda Districts Toy Library	15,000	Life Plan Recreation & Leisure Association Inc	30,000
Kalannie Community Telecentre Inc	13,400	Lions Club of Australind Inc	8,887
Kalbarri Visitor Centre Inc	7,616	Lions Club of Jurien Bay Inc	10,000
Kalgoorlie Boulder Volunteer Centre Inc	8,410	Lions Club of Serpentine – Jarrahdale	2,757
Kalgoorlie-Boulder Two-Up, Two-Down Community Choir	1,251	Lions Club of South Perth	8,269
Kambalda Child Care Centre Inc	65,000	Little Creatures Playgroup	4,989
Kanyana Wildlife Rehabilitation Centre Inc	464,881	Little Gumnuts Playgroup Inc	2,440
Karen Welfare Association WA Inc	2,893	Little Sisters of the Poor – Kalgoorlie	60,000
Karratha Emergency Relief Organisation Inc	20,000	Local Drug Action Group Inc – Bunbury	12,275
Katanning Club	11,810	Local Drug Action Groups Inc – Kalbarri Branch	8,000
Katanning Land Conservation District Committee	5,811	Local Government Managers Australia WA Division Inc	20,000
Katanning Machinery Restoration Group Inc	43,400	Loftus Playgroup Inc	11,118
Katanning Regional Emergency Accommodation Centre Inc	42,638	Looma Community Inc	94,994
Katanning Regional Telecentre Inc	19,499	Loveland for Wildlife Inc	29,114
Katharine Susannah Prichard Foundation Inc	7,217	Lower Great Southern Community Living Association Inc	3,528
Kellerberrin District Telecentre Inc	21,516	Lower Great Southern Family Support Association Inc	13,117
Kellerberrin LCDC (Land Conservation District Committee)	15,000	Lucy Saw Centre Association	15,000
Kelmscott–Pinjarra 10th Light Horse Memorial Troop Inc	44,000	Maccabi Contract Bridge Club	5,000
Kids' Camps Inc	42,783	Machinery Preservation Club of WA Inc	54,028
Kimberley Aboriginal Law & Culture Centre (Aboriginal Corporation)	20,000	Malubillai Wildlife Carers Network Inc	24,683
Kimberley Group Training Inc	28,744	Mamabulanjin Aboriginal Corporation	39,966
Kimberley Land Council Aboriginal Corporation	142,904	Mandurah Arts & Crafts Society Inc	13,793
Kimberley Wildlife Rescue Inc	113,996	Mandurah City Choral Society Inc	2,127
Kojonup Southern Singers	4,046	Mandurah Districts Orchid Club of WA Inc	1,960
Kukerin Playgroup Inc	8,583	Mandurah Lotteries House Inc	35,500
Kullarri Regional CDEP Inc	30,000	Mandurah Murray Emergency Relief Fund Inc	50,000
Kulungah–Myah Family Centre Inc	9,460	Mandurah Performing Arts Inc	28,000
Kununoppin & Districts Hospital Auxiliary Inc	3,236	Mandurah Retirement Village	500,000
Kununurra Chamber of Commerce & Industry Inc	15,000	Mandurah Surf Life Saving Club Inc	450,000
Kununurra Neighbourhood House Inc	8,000	Manjimup Chamber of Commerce & Industry Inc	11,970
Kuwinywardu Aboriginal Resource Unit Aboriginal Corporation	8,000	Manjimup Region Domestic Violence Education & Support Group Inc	4,500
L.A.M.P. Inc	4,950	Manning Community Kindergarten	7,782
Lakelands Playgroup	5,000	Marble Bar Telecentre & Business Link Inc	13,689
Lancelin Telecentre Inc	16,537	Margaret River Community Kindergarten Inc	4,836
Landsdale Family Support Association Inc	12,332	Margaret River Community Resource Centre Inc	8,000
Lawley Park Residents Management Advisory Committee Inc	1,276	Margaret River Toy Library Inc	15,000
Learning Centre Link	42,035	Marnda Mia Ltd	77,393
Leederville Early Childhood Centre Inc	40,042	Marnin Bowa Dumbara Aboriginal Corporation – Derby Family Healing Centre	5,000
Leeman Volunteer Sea Search & Rescue Group	7,177	Mawarnkarra Health Service Aboriginal Corporation	73,657
Leeuwin Ocean Adventure Foundation Ltd	295,739	Mayanup Progress Association Inc	15,000
Lefroy Road Child Care Centre Inc	22,000	Maylands Business Association Inc	15,000
Legacy Fund of Fremantle Inc	7,284	McFarleane House Learning Centre Inc	28,351
Leinster Sport & Recreation Association Inc	8,538	Meela Child Care Centre Inc	34,436
Leinster Telecentre Inc	15,000	Meerilinga Young Childrens Services Inc – Beechboro	13,945

Meerilinga Young Childrens Services Inc – Woodvale	8,112	Naaguja Warankarri Aboriginal Corporation	124,952
Melville City Toy Library Association	14,862	Nannup Music Club Inc	18,000
Men of The Trees	24,384	Nardine Wimmins Refuge	281,785
Men of The Trees – Perth City Farm	281,378	Narrogin Agriculture Society Inc	5,790
Menora Playgroup	5,000	Narrogin & Williams Community Landcare Coordinators Management Committee	4,215
Mens Advisory Network (M.A.N.) Inc	8,400	Narrogin Art Group Inc	2,988
Men's Resource Centre Inc	10,890	Narrogin Regional Child Care Services Inc	250,000
Mental Health Law Centre WA Inc	29,000	Narrogin Spring Festival Inc	5,971
Menzies Aboriginal Corporation	21,520	NASCHA Inc	2,275
Mercy Community Services Inc	28,752	Nashos League of WA Inc	6,000
Mertome Residents Committee	4,935	National Council of Women of WA Inc	34,518
Metropolitan Migrant Resource Centre Inc	222,641	National Disability Services Ltd – National Disability Services WA	187,681
Midland Information, Debt & Legal Advocacy Service Inc	25,000	National Mediation Conferences Ltd	15,000
Midwest Employment & Economic Development Aboriginal Corporation	28,712	National Trust of Austalia WA – Central Greenough School	15,000
Midwest Show & Shine Inc	3,000	National Trust of Australia WA	22,000
Millennium Kids Inc	13,974	National Trust of Australia WA – Greenough Police Station/Courthouse	80,000
Mingenew-Inwin Group Inc	3,391	National Trust of Australia WA – Old Observatory	20,500
Mirima Council Aboriginal Corporation	100,000	National Trust of Australia WA – Settlers Cottage, Herdsman Lake	16,500
Mission Australia	112,207	National Trust of Australia WA – Tranby House	60,000
Mission Australia – Yirra Projects	39,919	Naturaliste Family Playgroup	5,000
Moora Fine Arts Society Inc	5,287	Nedlands Tennis Club	18,500
Moora Frail Aged Lodge Inc	77,386	Neerigen Brook Primary School Parents & Citizens' Association Inc	15,000
Moora Telecentre Inc	14,865	Neurological Council of WA Inc	16,172
Morrissey Homestead Inc – Leschenault Day Respite Centre	101,686	New Life Welfare WA Inc	20,000
Mosaic Community Care Inc	74,116	Newdegate Telecentre Inc	13,384
Mount Helena Residents & Ratepayers Progress Association Inc	15,793	Newman Toy Library & Resource Centre Inc	8,859
Mount Lawley Neighbourhood Learning Centre	14,820	Newman Women's Shelter Inc	5,000
Mount Lawley Neighbourhood Toy Library Inc	15,000	Newton Moore CALM Bush Ranger Cadets	4,897
Mount Pleasant Baptist Church Inc	17,000	Ngala Community Services	314,147
Mt Barker Toy Library Association Inc	2,912	Ngangganawili Aboriginal Community Controlled Health & Medical Services Aboriginal Corporation	41,765
Mt Lawley Neighbourhood Playgroup	15,000	Ngaringga Ngurra Aboriginal Corporation	7,000
Mt Marshall & Districts Agricultural Society Inc	6,249	Ngarluma Aboriginal Corporation	28,760
Mt. Magnet Leader Inc	1,697	Ngnowar-Aerwah Aboriginal Corporation	330,158
Mukinbudin Planning & Development Group Inc	47,416	Nindilingarri Cultural Health Services Inc	19,000
Mukinbudin Telecentre Inc	15,000	Noahs Ark Toy Library & Resource Centre Inc	132,047
Mulan Aboriginal Corporation	96,468	Nonprofit Australia Ltd	12,075
Multicultural Services Centre of WA Inc	30,000	North Perth Playgroup Inc	4,792
Multiple Sclerosis Society of WA Inc	129,095	Northam Army Camp Heritage Association Inc	8,150
Munda Bididi Trail Foundation Inc	116,500	Northam Toy Library Inc	9,600
Mundaring & Hills Historical Society Inc	15,000	Northampton District High School Emergency Services Cadets	4,516
Mundaring Tourism Association Inc	10,000	Northampton Motors & Machinery Restoration Group Inc	44,105
Murdoch University – Institute for Immunology & Infectious Diseases	5,000,000	Northcliffe Arts Association Inc	2,464
Murdoch University Guild of Students	10,000	Northcliffe Family Centre Inc	255,874
Murray District Machine Knitting Group Inc	2,878	Northcliffe Pioneer Museum Inc	3,400
Muscular Dystrophy Association of WA Inc	39,236	Northern Corridor Radio Group Inc	12,519
Museums Australia Inc	78,249	Northern Interaction Support Association Inc	4,130

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Northern Suburbs Community Legal Centre Inc	112,570	Perth Diocesan Trustees – Anglican Parish of Scarborough	4,115
Nulsen Haven Association Inc	587,268	Perth Diocesan Trustees – Anglican Parish of South Perth	185,000
Nyabing Playgroup	5,000	Perth Diocesan Trustees – St Andrew's Church Subiaco	20,160
Nyoongar Sports Association Inc	9,675	Perth Highland Pipe Band of WA Inc	13,705
Oakford Playgroup	1,700	Perth Home Care Services Inc	5,000
Oasis Lotteries House Inc	875,000	Perth Inner City Youth Service Inc	6,600
Occasional Singers Inc	2,500	Perth Montessori School Playgroup	5,000
Onslow Volunteer Marine Rescue Group Inc	14,000	Perth PC Users Group Inc	3,000
Orana House Inc	4,000	Perth Region NRM Inc	241,780
Orchid Judging Panel of WA	4,570	Phylos Inc	2,265
Our Lady of Good Council Playgroup	5,000	Pickering Brook Heritage Group Inc	1,180
Outcare Inc	33,205	Pickering Brook Play N Sip Playgroup	5,000
Padbury Education & Child Care Centre Ltd	12,501	Pilbara Association of Non Government Organisations Inc	68,550
Palmerston Association Inc	115,010	Pingrup District Resource & Telecentre Inc	3,286
Parents & Friends' Federation of WA Inc	25,000	Pinjarra Katijin Inc	14,970
Parents of Children with Disabilities Inc	15,000	Pinjarra Visitor Centre Inc	5,000
Parents Without Partners WA Inc	35,743	Play Factory Inc	11,500
Parkerville Children & Youth Care Inc – Armadale Community Child Advocacy Centre	1,100,000	Polish Club General W.Sikorski WA	15,000
Parkinson's WA Inc	11,655	Portugese Cultural & Welfare Centre Inc – Cockburn Sounds Community Radio	7,300
Parnngurr Aboriginal Corporation	21,850	Pregnancy Assistance Inc	7,500
Partners of Veterans Association of WA Inc	30,750	Pride WA Inc	20,000
Patricia Giles Centre Inc	7,130	Princess Royal Sailing Club	5,500
PBF (Australia) Ltd	6,775	Prison Fellowship Australia – WA Council	19,746
Peaceful Bay Sea Rescue Group Inc WA	25,226	Probus Club of Dunsborough Inc	3,393
PEEDAC Pty Ltd – Noongar Media	33,110	Probus Club of Kalamunda Inc	1,000
PEEDAC Pty Ltd	37,000	Probus Club of Mundaring Inc	959
Peel Community Living Inc	13,295	Progressive Spiritualists Church	42,705
Peel Preservation Group	7,812	Propel Youth Arts WA Inc	32,882
Peel Trails Group Inc	35,000	Puggles Playgroup Inc	5,000
Peel Youth Services Inc	25,192	Punmu Aboriginal Corporation	23,709
Pemberton Community Telecentre Inc	25,273	Rail Heritage Foundation of WA Inc	11,550
Pemberton Playgroup	3,583	Rainbow Child Care Centre Inc	13,788
People Who Care Inc	400,000	Rainbow Coast Neighbourhood Centre Inc	15,718
People With Disabilities WA	63,043	Ravensthorpe District Telecentre Inc	7,574
PEP Community Services Inc	41,662	Ravensthorpe Regional Arts Council	5,000
Perth Christian Life Centre Inc	19,155	Ready To Work Inc	91,580
Perth Diocesan Trustees	6,729	Reclaiming Voices WA Inc	11,285
Perth Diocesan Trustees – Anglican Parish of Applecross	7,573	Recreation & Sport Network Inc	25,098
Perth Diocesan Trustees – Anglican Parish of Armadale	52,250	Redcliffe Primary School Parents & Citizens' Association Inc	2,521
Perth Diocesan Trustees – Anglican Parish of Beaconsfield	36,664	Redemptorist Lay Community of WA Inc	3,300
Perth Diocesan Trustees – Anglican Parish of Bullcreek-Leeming	7,000	Remida Perth Inc	19,500
Perth Diocesan Trustees – Anglican Parish of Gosnells Welfare & Community Services	13,200	Returned & Services League of Aust. WA Branch Inc – Denmark	11,852
Perth Diocesan Trustees – Anglican Parish of Midland	21,500	Returned & Services League of Australia WA Branch Inc	394,698
Perth Diocesan Trustees – Anglican Parish of Mundaring	73,000	Returned & Services League of Australia WA Branch Inc – Boddington	20,000
Perth Diocesan Trustees – Anglican Parish of Murdoch Winthrop	10,000	Riding for the Disabled Association of WA	445,043
Perth Diocesan Trustees – Anglican Parish of Northam	122,628	River Conservation Society Inc	1,496

River of Life Christian City Church Ltd	13,049	Serpentine Playgroup Inc	2,563
Riverview Community Services Inc	8,000	SES Volunteer's Association of WA Inc	15,000
Rockingham Volunteer Sea Rescue Group Inc	43,873	Settlers Lakeside Village Ravenswood Residents' Association Inc	7,751
Rocky Bay Inc	45,000	Seventh-Day Adventist Church (WA Conference) Ltd – ADRA	37,310
Roman Catholic Archbishop of Perth – Aboriginal Catholic Ministry & Council	47,357	Share & Care Community Services Group Inc	35,000
Roman Catholic Archbishop of Perth – Basilica of St. Patrick Fremantle	6,993	Share & Care Community Services Group Inc – Waminda House Womens Refuge	26,273
Roman Catholic Archbishop of Perth – Father Brian's Crisis Care Centre	29,867	Shark Bay Community Resource Centre Inc	177,260
Roman Catholic Archbishop of Perth – Holy Spirit Church City Beach	65,350	Shelter WA Inc	21,520
Roman Catholic Archbishop of Perth – i.d.entity.wa	51,304	Shire of Ashburton	61,332
Roman Catholic Archbishop of Perth – Parish of Southern Cross	104,178	Shire of Augusta-Margaret River	5,000
Roman Catholic Archbishop of Perth – St Brigid's Church	16,450	Shire of Boddington	320,000
Roman Catholic Bishop of Broome – Kalumburu Mission	21,753	Shire of Broome	220,000
Roman Catholic Bishop of Geraldton – Centacare Family Services	19,500	Shire of Bruce Rock	110,197
Roman Catholic Bishop of Geraldton – Our Lady of Mount Carmel School	132,420	Shire of Busselton	39,985
Rotary Club of Applecross Inc	10,000	Shire of Capel	53,333
Rotary Club of Busselton Geographe Bay Inc	6,500	Shire of Carnarvon	36,500
Rotary Club of Hillarys Inc	33,000	Shire of Carnarvon – Carnarvon Civic Centre	40,000
Rotary Club of Kalamunda Inc	8,000	Shire of Chapman Valley	37,550
Rotary Club of Karrinyup Inc	3,555	Shire of Coolgardie	10,000
Rotary Club of Matilda Bay Inc	30,000	Shire of Cranbrook	20,000
Rotary Club of Mount Lawley WA Inc	10,000	Shire of Cuballing	10,000
Rotary Club of North Perth Inc	20,000	Shire of Cunderdin	4,600
Rotary Club of Willetton Inc	8,800	Shire of Cunderdin – Cunderdin Museum	23,000
Rotary International District 9470 (Eastern Districts) Inc	12,000	Shire of Dandaragan	26,956
Rottneest Conservation Foundation Inc	27,032	Shire of Dardanup	125,607
Rottneest Voluntary Guides Association Inc	15,500	Shire of Denmark	25,452
Royal Agricultural Society of WA	20,000	Shire of Derby-West Kimberley – Scallywags Child Care Centre	5,078
Royal Flying Doctor Service of Australia (Western Operations)	1,000,000	Shire of Donnybrook-Balingup	25,000
Royal Life Saving Society Australia – WA Branch Inc	33,980	Shire of Dowerin	52,592
Royal Society for the Prevention of Cruelty to Animals WA Inc	173,406	Shire of Dowerin – Avon Regional Organisation of Councils (AROC)	27,750
Roy's Retreat Inc	15,605	Shire of Dumbleyung	3,600
Samaritans Inc	109,806	Shire of Dundas	90,336
Sambanistas Inc	10,000	Shire of East Pilbara	675,000
Sandalwood Arts & Crafts Inc	15,000	Shire of Esperance	113,760
SC Church Inc	14,080	Shire of Esperance – Esperance Showbizz Inc	40,000
Scarborough Autumn Club Inc	5,000	Shire of Esperance – Esperance Volunteer Resource Centre	5,000
Scarborough Beach Association Inc	15,000	Shire of Gnowagerup	64,458
Schizophrenia Fellowship (Albany & Districts) Inc	31,000	Shire of Halls Creek	9,148
School Volunteer Program Inc	196,579	Shire of Harvey	128,708
Scitech Discovery Centre	356,470	Shire of Irwin	70,075
Scout Association of Australia, WA Branch	144,001	Shire of Kalamunda	30,000
SECCA: Sexuality Education Counselling & Consultancy Agency Inc	61,595	Shire of Katanning – Katanning Leisure Centre	11,327
Senior Citizens' Centre of Meals on Wheels (Albany) Inc	2,430	Shire of Kellerberrin	20,777
Seniors Recreation Council of WA Inc	15,000	Shire of Kondinin	26,845
Senses Foundation Inc	23,495	Shire of Koorda	7,980
Serenity Lodge Inc	50,296	Shire of Koorda – Koorda & Districts Museum & Historical Society	4,500

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Shire of Lake Grace	65,000	Soroptimist International of Joondalup Inc	4,149
Shire of Leonora	15,000	South Coast Natural Resource Management Inc	32,880
Shire of Manjimup	53,670	South Coastal Womens Health Services Association Inc	26,268
Shire of Merredin	10,910	South Hedland Lotteries House Inc	21,270
Shire of Merredin – Cummins Theatre	15,000	South Lake Ottey Family & Neighbourhood Centre Inc	263,100
Shire of Mingenew	25,000	South Metropolitan Personnel Inc	35,710
Shire of Moora	90,000	South of the River Potters Club	1,341
Shire of Moora – Moora Performing Arts Centre	33,795	South Perth Learning Centre Inc	15,000
Shire of Mt Marshall	30,589	South Perth Toy Library	13,568
Shire of Mukinbudin	4,000	South West Aboriginal Land & Sea Council Aboriginal Corporation	355,077
Shire of Mullewa	12,150	South West Counselling Inc	61,993
Shire of Mundaring	20,000	South West Opera Company Inc	4,380
Shire of Narembeen – Narembeen Telecentre	27,132	South West Refuge Inc	32,373
Shire of Northam	15,000	South West Tapestry Weaving Group	1,777
Shire of Nungarin	172,337	Southcare Inc	165,164
Shire of Pingelly	27,985	Southern Aicare Inc	13,000
Shire of Plantagenet	35,000	Southern Brook Community Association	7,645
Shire of Plantagenet – Mt Barker Community Centre	750,000	Southern Cross Care WA Inc	418,000
Shire of Quairading	15,000	Southern Cross Care WA Inc – Mount Claremont House	93,350
Shire of Ravensthorpe – Ravensthorpe Hopetoun Area Promotions Inc	5,437	Southern Edge Arts Inc	82,800
Shire of Roebourne	75,515	Southern River Progress Association	15,000
Shire of Roebourne – Walkington Theatre	35,000	Special Olympics WA Inc	7,164
Shire of Serpentine-Jarrahdale	20,907	Species Orchid Society of WA Inc	1,000
Shire of Tammin	4,890	Spencer Park Primary School Parents & Citizens Association Incorporated	5,900
Shire of Toodyay – Connors Mill	22,000	Sphinx Foundation Inc	5,112
Shire of Upper Gascoyne	251,400	Spiers Centre Inc	55,000
Shire of Victoria Plains	15,000	Spina Bifida Association of WA	16,000
Shire of Wanneroo Aged Persons Home Trust Inc	23,057	Spring Road Community Kindergarten Inc	3,470
Shire of Waroona	25,000	Square Dance Society of WA Inc	12,200
Shire of West Arthur	122,524	St Barbara's Festival Inc	20,000
Shire of Westonia	1,411	St Brigids Convent of Mercy Perth – Edgewater Mercy Hostel	3,517
Shire of Wickepin	29,870	St Brigids Convent of Mercy Perth – Mercyville Hostel	3,517
Shire of Williams	12,613	St Brigids Convent of Mercy Perth – Villa Maria Hostel	3,517
Shire of Wyalkatchem	10,000	St Brigid's Convent of Mercy Perth – Villa Maria Village Lesmurdie	7,820
Shire of Yilgarn	7,814	St Ives Murdoch Residents Association Inc	9,070
Shire of York – Residency Museum York	14,820	St John Ambulance Australia WA Inc	1,044,700
Silver Chain Nursing Association Inc	26,026	St John of God Foundation Inc – Horizon House	182,409
Silver Chain Nursing Association Inc – John Mercer Lodge	40,403	St Marys Parents & Friends Association	5,000
Silver Tree Steiner School Inc – Silver Tree Playgroup	4,523	St Michael's Playgroup	3,800
Sister Kate's Children 1934 to 1953 Aboriginal Corporation	15,500	St Patricks Catholic Playgroup	5,000
Sisters of Mercy Perth (Amalgamated) Inc	19,000	St Patrick's Community Support Centre Ltd	234,000
Smart Events Inc	1,254	St Vincent De Paul Society WA Inc	1,587,247
SolarisCare Foundation	16,671	St Vincent de Paul Society WA Inc – Vincentcare	226,400
Somerly Resident's Association Inc	15,000	St. Bartholomew's House Inc	298,166
Song Room Inc	298,928	St. Bartholomew's House Inc – Kelmscott Community Supported Residential Units	342,038

St. Bartholomew's House Inc – Middle SWA CSRU	259,862	Uniting Church in Australia Property Trust WA – Moora	9,330
St. Bartholomew's House Inc – Osborne Park CSRU	260,392	Uniting Church in Australia Property Trust WA – Parish of Midland	43,500
Starick Services Inc	64,000	Uniting Church in Australia Property Trust WA – Scots Uniting Church Albany	7,800
Stop the Toad Foundation Inc	56,064	Uniting Church in Australia Property Trust WA – Uniting Aid	29,000
Sts Martha & Mary Orthodox Welfare Association Inc	1,957	Uniting Church in Australia Property Trust WA – Uniting Church in The City	18,779
Subiaco Out of School Centre Inc	9,450	Uniting Church in Australia Property Trust WA – Unitingcare Crossroads WA	13,334
Sudbury Community House Association	76,154	Uniting Church in Australia Property Trust WA – Wesley Mission Fremantle	12,000
Superfins WA Inc	15,000	Uniting Church in Australia Property Trust WA – Wesley Parish Albany	18,352
Surf Life Saving WA Inc	38,000	UnitingCare West	585,000
SWA Emergency Accommodation	20,000	University Of The Third Age, The University of WA Inc – Rockingham & Districts	4,097
SWA Friendship Club of WA Inc	201,500	University of the Third Age, University of WA Inc – Dianella	3,167
Tammin Economy Shop Cooida Association T.E.S.C.A. Inc	4,000	University of WA – The Marshall Centre For Infectious Diseases Research & Training	36,500
Technology Assisting Disability WA Inc	67,294	University of WA (UWA)	36,725
Telethon Speech & Hearing Centre for Children WA Inc	80,000	Upper Blackwood Agricultural Society Inc	5,500
Three Springs Playgroup	3,032	UWA Guild of Undergraduates	8,512
Timberside Villas Social Club Inc	11,800	Val Lishman Health Research Foundation Inc	109,439
To Thrive Inc	45,810	Valued Independent People Inc	90,000
Toodyay Autumn Club Inc	1,125	Variety WA Inc	53,801
Toodyay Playgroup Association Inc	3,000	Veteran Car Club of WA – Albany & Districts Branch	16,956
Torbay Catchment Group Inc	10,000	Victoria Park Centre for the Arts Inc	6,287
Tourism Rockingham Inc	20,000	Victoria Park Montessori Playgroup Inc	5,000
Town of Bassendean	24,896	Victoria Park Youth Accommodation Inc	47,054
Town of Bassendean – Ashfield Day Centre	103,000	Vocal Evolution Inc	6,175
Town of Cambridge	19,828	Voces Arts Networking Group Inc	8,449
Town of Claremont	10,000	Voluntary Gallery Guides of The Art Gallery of WA	3,000
Town of Cottesloe	50,000	Volunteer Centre of WA Inc	30,000
Town of East Fremantle	9,800	Volunteer Marine Rescue Shark Bay Inc	25,000
Town of Kwinana	4,061,201	Volunteer Marine Rescue WA Inc	30,000
Town of Kwinana – Youth Activity Centre	1,000,000	Volunteer Task Force Inc	5,000
Town of Mosman Park	10,000	WA Air Training Corps Gliding Wing Inc – Cadets	53,140
Town of Narrogin	10,000	WA Baptist Hospital & Homes Trust Inc	7,631
Town of Victoria Park	40,000	WA Blue Sky Inc	6,955
Town of Vincent	20,000	WA Council on Addictions – Saranna Women's & Children's Program	135,035
Training Ship Headquarters Inc	28,112	WA Disabled Sports Association	211,024
Tribal Refugee Welfare of WA Inc	9,552	WA Disabled Water Ski Club Inc	4,025
Trigeminal Neuralgia Support Group WA Inc	1,754	Wagin Historical Village Museum Inc	12,385
Trustees of the Toodyay Lodge #37 of Grand Lodge of WA of Ancient, Free & Accepted Masons	40,863	Wagin Telecentre Inc	17,170
Two Rocks Volunteer Sea Rescue Group Inc	36,000	Walliston Riding & Pony Club	5,000
UCA Assembly Ltd – Frontier Services – Murchison Financial Advocacy Services	12,298	Walpole Community Resource Telecentre Inc	24,424
UIM WA Inc	12,364	Walpole Family Centre Inc	3,763
Uni Camp For Kids Inc	42,000	Walpole Sea Rescue Group WA Inc	60,000
United Eritrean Association of WA Inc	5,246	Wamba Nilgee Burru Ngardu Aboriginal Corporation	36,425
United Nations Association of Australia (WA Division) Inc	4,160	Wandering Telecentre Inc	10,276
Uniting Church Homes	7,826	Wanan Community (Aboriginal Corporation)	508,754
Uniting Church in Australia Property Trust – Scotch College Emergency Services Cadet Unit	5,000	Wanslea Family Services Inc	1,500
Uniting Church in Australia Property Trust WA – Dalwallinu Uniting Church	2,700	Wanslea Family Services Inc – Joondanna	310,891

Waratah Support Centre (South West Region) Inc	10,000
Wayside Ministries WA Inc	4,733
We Can Association Inc	9,500
Welcome Lotteries House Inc	48,171
Wellstead Progress Association Inc	12,162
Wembley Playgroup Inc	5,508
Wembley Primary School Parents & Citizens Association Inc	6,260
WA Mandolin Orchestra Inc	4,860
WA Men's Gathering Inc	11,055
WA Music Industry Association Inc	15,000
West Coast Blues Club Inc	7,100
West Midlands Natural Resource Group Inc	10,000
West Stirling Neighbourhood House Inc	3,500
WA Speleological Group	13,728
WA Adult Literacy Council Inc	37,140
WA AIDS Council Inc	2,000
WA Association for Mental Health Inc	45,000
WA Association for the Development of Role Models & Leaders Inc	100,000
WA Association for the Development of Role Models & Leaders Inc – Kalgoorlie	45,000
WA Association of the Deaf Inc	5,000
WA Association of Toy Libraries Inc	5,378
WA Council of Social Service Inc (WACOSS)	298,621
WA Council of State School Organisations	25,000
WA Deaf Society Inc	78,389
WA Health Care Museum Association Inc	2,092
WA Local Government Association	300,000
WA Network of Alcohol & Other Drug Agencies	20,000
WA Opera Company Inc	91,853
WA Retirement Complexes Residents Association Inc	2,380
WA Sports Federation	150,000
Western Desert Lands Aboriginal Corporation (Jamukurnu–Yapalikunu)	16,063
Westonia Telecentre Inc	22,825
Wheatbelt Agcare Community Support Services Inc	10,000
Wheatbelt Individual & Family Support Association Inc	3,907
Whitford Church of Christ Inc	20,000
Whitford Senior Citizens Club Inc	2,461
Whitfords Rainbow Toy Library Inc	15,000
Whitfords Volunteer Sea Rescue Group	6,000
Wickham Playgroup Inc	4,021
Willetton Ladies Probus Club Inc	2,858
Williams Art & Craft Centre	2,812
Williams Playgroup	5,000
Williams Recreational Trail Committee Inc	10,000
Williams Regional Toy Library	5,000
Williams Telecentre Inc	9,000
Wilson Resident's & Ratepayer's Association	2,000

Windmill Community Newspaper Inc	6,000
Windmill Projects Inc	94,824
Women's Council For Domestic & Family Violence Services WA Inc	15,088
Womens Health Care Association	1,538,394
Womens Healthworks, Health Education & Resource Centre Inc	131,508
Women's Law Centre of WA Inc	176,819
Wongan Cubbyhouse Inc	16,000
Woodlake Playgroup Inc	14,970
Woodturners of Denmark Inc	2,500
Workpower Inc	20,000
Wunan Foundation Inc – Halls Creek Workers Hostel	81,260
Wunan Foundation Inc	60,000
Wundowie Telecentre Inc	19,676
Wyemando Bequest Inc	5,750
Wyndham Telecentre Inc	26,901
Yaandina Family Centre Inc	10,428
Yaragua Enterprises Inc	23,146
Yawoorroong Miriuwung Gajerrong Yirrgeb Noong DaWAg Aboriginal Corporation	77,896
Yiyili Community Aboriginal Corporation	45,000
YMCA of Perth Youth & Community Services Inc – Albany	117,795
Yorgum Aboriginal Corporation	50,452
York Society Inc	5,251
Young Mens Christian Association of Perth (YMCA)	39,000
Youth Action Kalamunda Inc	60,000
Youth Affairs Council of WA (YACWA)	1,646
Youth Focus Inc	118,812
Youth Legal Service Inc	99,542
Zig Zag Community Arts Inc	17,270
Zonta House Refuge Association Inc	12,000
Total Direct Grants	92,154,431
Current Year Writebacks	(27,663)

The following amounts were recommended by the Commission approved by the Minister in accordance with sections 22(d)(i) and 22(d)(ii) of the Lotteries Commission Act 1990 (as amended).

UWA–Perth International Arts Festival	4,500,096
ScreenWest Inc	4,968,280
Total	9,468,376
Total Approved	101,595,144



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