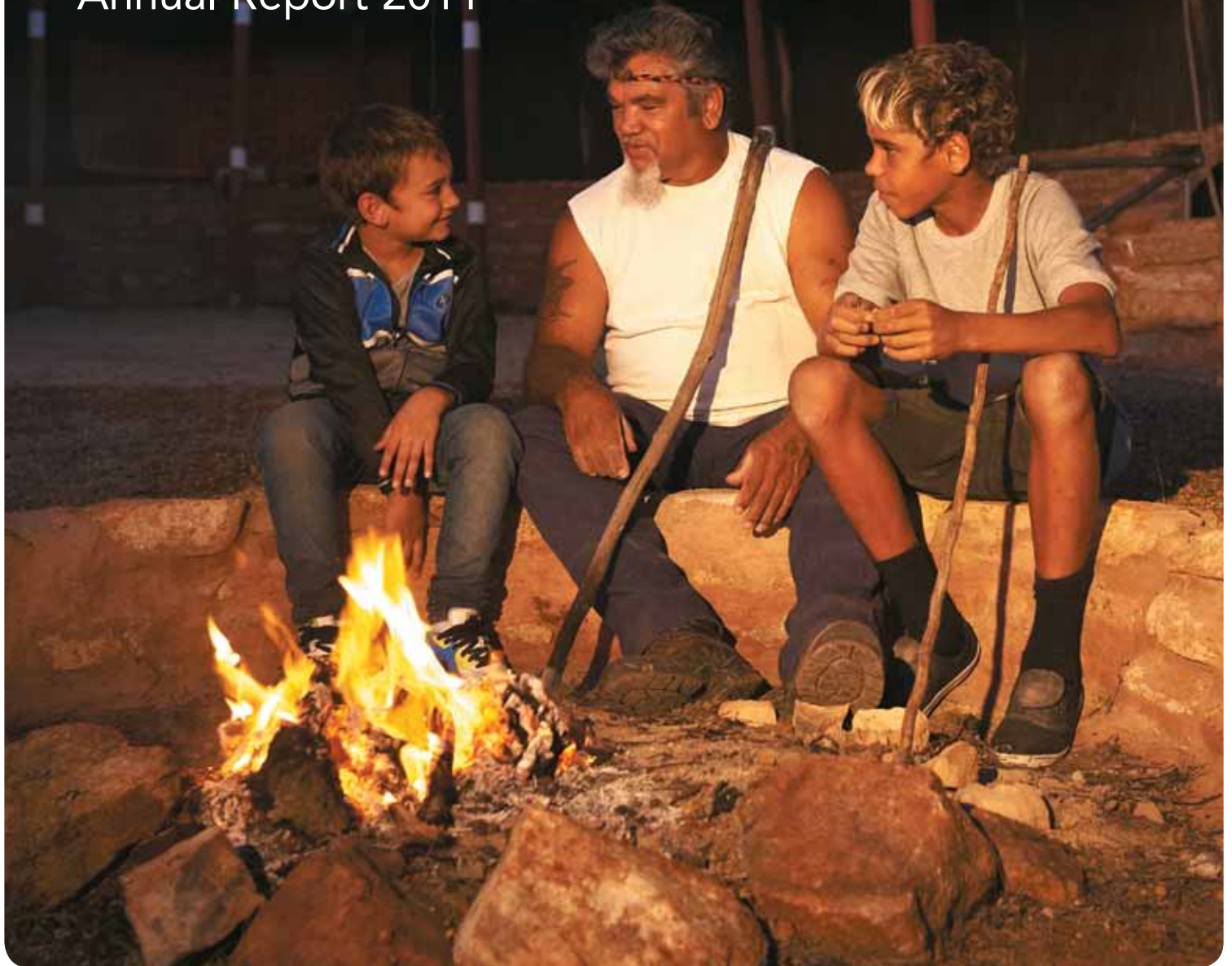




Helping build a better Western Australia

Annual Report 2011



Statement of Compliance

**Hon. C J Barnett MEd MLA
PREMIER**

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit to the Premier for information and presentation to Parliament, the Annual Report of the Lotteries Commission for the financial year ended 30 June 2011.

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).

John Atkins
Chairman
Accountable Authority
15 August 2011

Roger Lewis
Commissioner
Accountable Authority
15 August 2011

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Design: Spirit
Photography: Frances Andrijich



Our vision:

To be a leader in building a better Western Australia.

Above: Retailers' Consultative Panel
L-R John Halligan, Helen Murgatroyd,
William Yeung, Lea Kirwan, Robyn McDermott,
Glenn Cornish and Troy Robertson

Cover: Gondwana Link in association with
Noongar Youth Diversion Programs

Our purpose

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

Our values

Lotterywest is an organisation committed to serving the community of Western Australia with excellence and integrity.

In enacting these values, we recognise the diversity of the interests of our stakeholders and seek to achieve a balance of approach which takes into account this diversity.

Four core values underpin all that we do:



L-R: Allan from Grants and Community Development, Gillian from Business Operations, Gary from Corporate Services and Brodie from Strategy and Planning

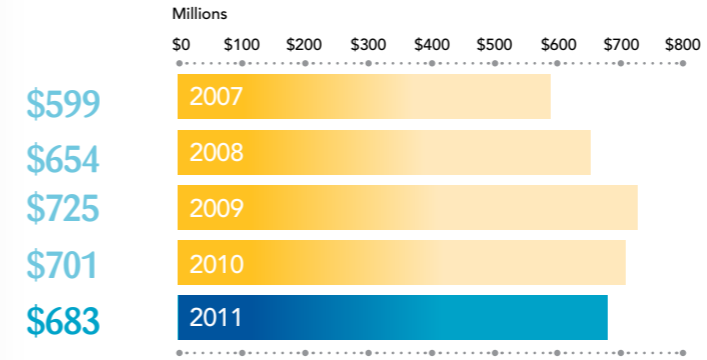


Left: L-R: Veronique, Alan and Irena from Strategy and Planning
Right: L-R: Joni, Peter and Margaret from Grants and Community Development
Above: Jason from Information Services



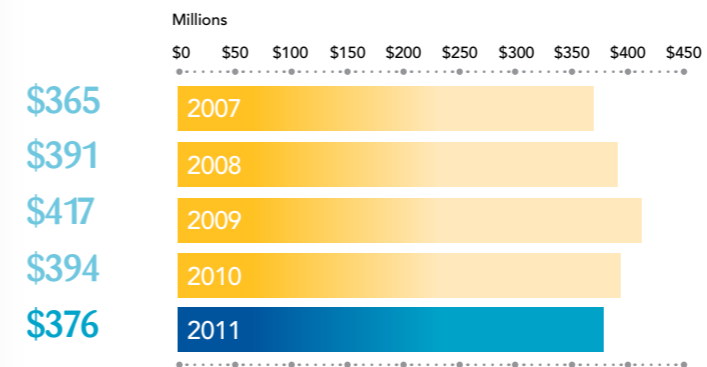
L-R: Chantel, Andrea and Janine from Business Operations

Total sales



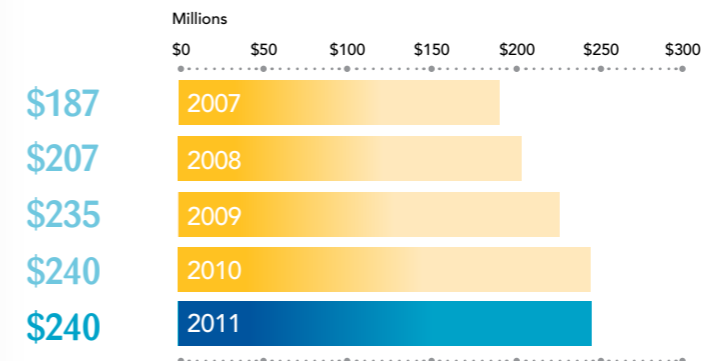
Annual Lottery sales

Per capita (adult)



Total funding

Provided to the Western Australian community



Our games

- Total sales of \$683.3 million
- Decrease of \$18 million (2.6%) on last year
- Total annual sales per adult of \$375.71

Our retailers

- 497 online retail outlets
- 54 Scratch'n'Win only outlets
- \$56 million paid in commission to retailers
- \$264,119 retailer incentive payments

Our community

A total of \$240 million was raised for the Western Australian community

- \$101 million returned to hospitals
- \$12.6 million returned to arts
- \$12.6 million returned to sports

\$114 million* in direct grants including:

- \$5.3 million to the University of WA for the Perth International Arts Festival
- \$6.8 million to ScreenWest for the support of the screen industry in WA
- \$102 million distributed to charitable and community groups
- 1,366 grants approved to 1,080 different organisations

*This does not include re-allocated funds or grants not totally used.

Making a profound difference

Chairman's introduction

I am delighted to be able to present this report on Lotterywest's activities over the past 12 months.

During that period I have enjoyed getting to know Lotterywest, its people and some of the many organisations and people whose lives are impacted by the activities of Lotterywest.

I have been incredibly impressed by the dedication of the team at Lotterywest who together, on a daily basis, make a profound difference to the lives of so many Western Australians.

It has also been my great pleasure to begin to get to know and understand the amazing work undertaken by the many organisations that Lotterywest supports.

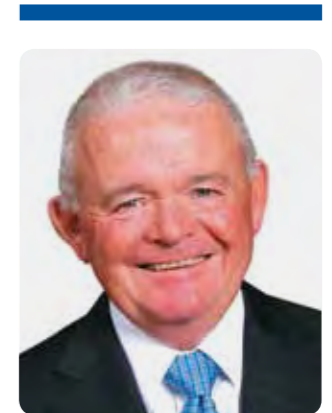
The last year has been a challenging year for all involved in retail businesses, however our loyal retailers have continued to enthusiastically support the sale of Lotterywest products which in turn allows us to continue to support our beneficiaries.

This report records that whilst we did not reach the level of sales that we have in the past, we were still able to distribute \$240 million for the benefit of the Western Australian community.

It has been my pleasure to work with the dedicated Board and senior management of Lotterywest over the last year.

All involved at Lotterywest are to be congratulated for their efforts over this very challenging period.

I look forward to the new year and the many opportunities and challenges which it will no doubt present for Lotterywest.



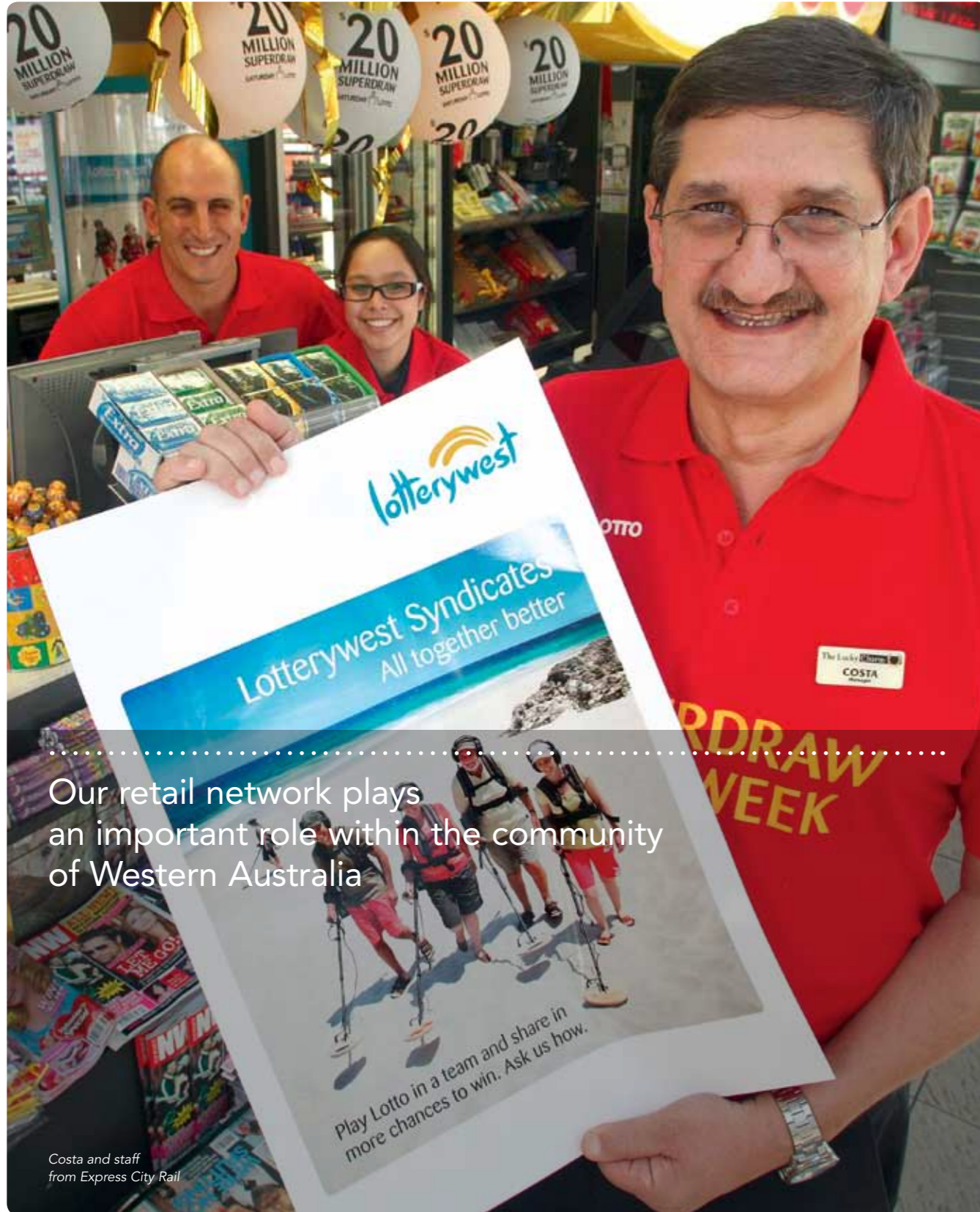
Chairman
John Atkins

John Atkins
Chairman



Lotterywest Grants help communities throughout Western Australia to bring their projects and aspirations to life.

Wilson Inlet Catchment



Our retail network plays an important role within the community of Western Australia

Costa and staff from Express City Rail

A leader in building a better WA

Chief Executive Officer's Report

'Being a leader in building a better Western Australia' is Lotterywest's vision. While the way we express that goal may have changed over the years, our key charter is the same as for those who set up the Lotteries Commission of Western Australia in 1932 and were the original leaders of Lotterywest.

It is clear from all the records that in offering a responsible alternative to the illegal gambling rife at the time – the economic depression of the 1930s was at its worst – the intention was that the primary purpose of the State lottery was to raise money for charitable purposes and to make a real difference in the community.

The legislation under which Lotterywest operates today, the Lotteries Commission Act (1990), affirmed that original charter.

This means that our performance must be measured by more than simply the money we raise. A number of years ago we introduced a formal 'balanced scorecard' reporting structure. The key performance indicators in this 'scorecard' are not only those of the actual sales of our lottery products and amount of money raised and subsequently distributed to our beneficiaries, but also a number of other key measures.

These include the strength of our reputation as a responsible operator of

lottery games and the quality of the relationships we have with a wide range of stakeholders including our retailers and our players. It is not simply the quantum of funds distributed to the beneficiaries, it is also the way the decisions are made in partnership with those beneficiaries and the impact we have for those who receive our grants.

The way our funds are distributed and the outcome of those grants are documented in detail in the following section which reports that this year was a record in terms of direct grants made – a total of \$114 million.

Nevertheless, to sustain the level of funds raised and distributed each year we must also focus on the financial element of the 'balanced scorecard'. Unfortunately for the second year in succession we have not achieved our sales targets. Our sales were \$683 million against a target of \$720 million and 2.6% down compared with last year. These sales trends for Lotterywest are broadly in line with national trends and consistent with the end-of-year results of our partners in the Australian Lotto Bloc. There are many reasons for this outcome.

As with any retail product, lotteries are affected by the economic and retail environment. Information from a wide range of sources shows that the retail



Chief Executive Officer
Jan Stewart



market in Western Australia has clearly declined in the past year. While the State's economy as a whole is relatively strong, many of our players are in demographic groups which have not benefited from the broad economic growth. There is evidence that some have reduced their expenditure on lottery products as the cost of living has increased in recent times, within an environment underpinned by caution and uncertainty.

As the publisher of 'Public Gaming International' said in the April 2011 edition of this lottery industry magazine, 'The consumer is being treated to an onslaught of dramatically exciting new products and services in every area of life'. Competing not only for the players' discretionary spending but also for their attention in this rapidly changing environment is a challenge particularly for an organisation which gives priority

to social responsibility in the way it markets all its products.

Apart from the economic, retail and other environmental factors, the main reason our sales targets were not met was that our two jackpotting games, OZ Lotto and Powerball, did not achieve the number of jackpots which our financial model predicted. This factor alone accounts for 20% of the variance of sales outcome against budget. The very limited number of jackpots meant that the value of the Division One prizes on offer in these games was 23% less than last year.

Saturday Lotto, our flagship product, by contrast exceeded our budget by 2.5%. The changes introduced to the game in January, a price rise together with the introduction of a new 6th prize division which effectively doubled the number of winners each game, was highly successful. [This is fully documented in the Business](#)

[Operations section of the report](#), where the performance of all products is reported in full.

'Syndicates through the terminal', a service to replace the previous manual service offered by most retailers to their players, was launched early in 2010. This has been taken up with increasing enthusiasm by retailers and players. It is a far more efficient way of managing this very popular service, greatly reduces the risk of retailer error and gives the player a real ticket (rather than a receipt for the share of the ticket held by the retailer) which can be claimed at any retail outlet.

Our marketing and communications contracts were put out to tender last year as required every five years. This resulted in the awarding of the contracts to four separate agencies. The contractual process and the transition to the new providers has been very demanding for all parties concerned and has meant some delay in the development of new marketing material which we recognise is somewhat overdue in the current retail environment.

The implementation of this new material will be a focus in the forthcoming financial year, with a different approach being planned for all our marketing.

In addition to the changes in our communications contract, we reviewed our contract for instant lotteries (marketed as 'Scratch'n'Win') and awarded the contract to a new supplier. As a result, all aspects of that product range and the marketing of it have been reviewed with the objective of improving sales results and increasing the revenue received from this product.

February 7th this year saw a significant achievement in the launch of a completely new Lotterywest website – Lotterywest Online. This new website, apart from an updated appearance and improved information on all aspects



L-R: Chad from Business Operations and Peumi from Corporate Services



Esperance Bird Observers

of the business, has two significant new features – the opportunity to buy a Lotto product online and the opportunity for grant customers to submit their grant application online.

The launch of Lotterywest Online was the culmination of a very complex project involving staff across Lotterywest together with a range of external contractors. It is to the whole team's credit that this project was completely successful. Sales from the new online channel are relatively small, as we always anticipated, with little, if any, evidence of any impact on the retail channel. Gradually more of our grant applicants are using the online grant application service which will become even more 'user friendly' now that a completely new grants management system was implemented on July 11 this year.

Our retailers remain the primary focus for us as the distribution channel for

our products and as the public face of Lotterywest. We have invested additional resources in supporting them this year to respond to a climate where many are not only experiencing negative growth in their lottery product sales but in the sales of many of their other products.

At the same time many are experiencing increased rent and wages costs, making this a very difficult time for many small businesses.

Towards the end of 2010, we launched a very successful retailer incentive program which offered additional financial rewards for the achievement of sales targets for Saturday Lotto. A second version of this program was launched early in 2011 and has been equally successful. More of these kinds of programs offering retailers additional financial rewards will be launched in

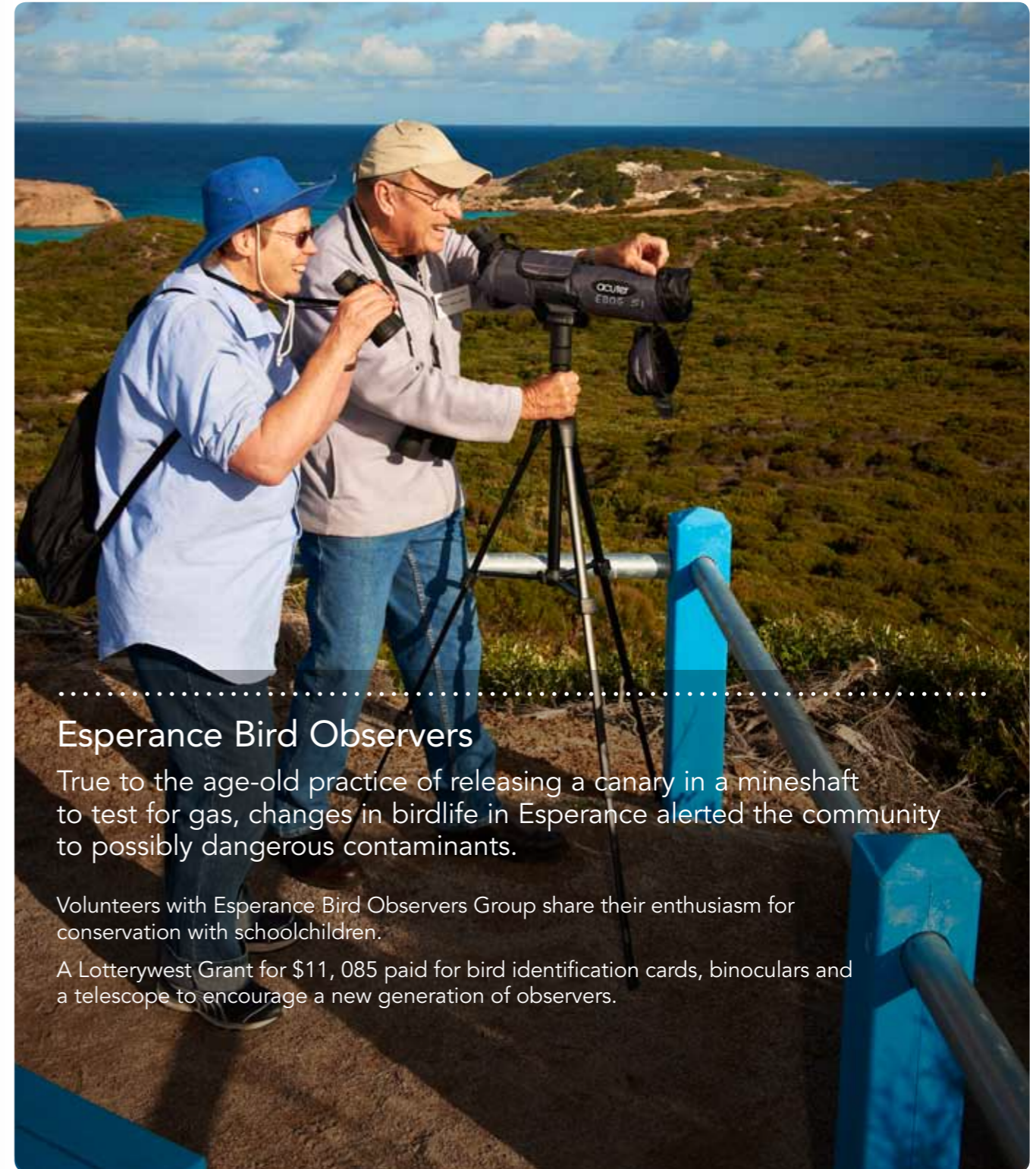
the forthcoming year, along with improved development and training programs for them and their staff.

The planning for identification of opportunities for the addition of new retail outlets to our network is rigorous. Each year Lotterywest publishes a retail distribution plan which identifies those locations where we will consider new licences. Invitations are then offered publicly to interested parties to apply for those licences. We do not accept unsolicited applications for licences in locations not identified on the retail plan.

It is important that our retailers have a formal process for giving us feedback and contributing to our business planning. A number of years ago we established a 'Retailers' Consultative Panel' which continues to play an important role in contributing to marketing initiatives and in giving feedback on issues affecting retailers. The panel meets every two months with senior Lotterywest staff. We are very grateful for the time given to us by the members of the Retailers' Consultative Panel.

A commitment to impeccable security standards is critical to the reputation of our business. A major achievement in the past year was our success in achieving World Lottery Association Security Control Standard Accreditation. Lotterywest is the first Australian Lottery to achieve full accreditation and we are now one of only 23 lotteries in the world to have met the rigorous criteria required to receive this internationally recognised standard.

As well as achieving accreditation for security standards, Lotterywest is accredited under the World Lottery Responsible Gambling Standards. As part of our role as members of the Western Australia's Problem Gambling Support Services Committee chaired by the Director-General of the Department of Racing, Gaming and Liquor, Lotterywest provides annual funding to Centrecare's problem gambling support services and contributes towards problem gambling awareness campaigns. Western Australian



Esperance Bird Observers

True to the age-old practice of releasing a canary in a mineshaft to test for gas, changes in birdlife in Esperance alerted the community to possibly dangerous contaminants.

Volunteers with Esperance Bird Observers Group share their enthusiasm for conservation with schoolchildren.

A Lotterywest Grant for \$11, 085 paid for bird identification cards, binoculars and a telescope to encourage a new generation of observers.



Kojonup Tourist Railway

data shows that as result of the relatively limited range of gambling permitted in our State, the level of problem gambling in Western Australia is far below that of the Eastern States.

National debate on gambling policy has reached a new level this year with the call to introduce new restrictions on poker machines in the other Australian States. Debate has also increased on the growing levels of interactive gambling on the internet and particularly internet sports betting and what should be done to regulate and control these forms of gambling. This is a debate being repeated throughout the world as governments and their communities reflect on the social and financial impact of these new forms of gambling.

Traditionally lotteries have been seen as a relatively benign form of gambling and as a way by which governments can raise

funds for worthy causes. As competition in the gambling industry increases with the break down of national borders as a result of the internet, it becomes more of a challenge for traditional lotteries to combat that competition and to sustain the return expected by their beneficiaries. In response, many lotteries are seeking to introduce new kinds of products and new kinds of distribution channels in an attempt to retain market share in the face of competition from other gambling services providers and to meet their beneficiaries' expectations.

A further international trend has seen debate on the structure of the lottery industry. In most countries, lotteries are state-owned entities, as is Lotterywest as a statutory authority of the Western Australian Government. In some countries the government licenses a private lottery operator and establishes a regulatory authority to oversee its

operations. This is the case in Australia in Victoria, Queensland, New South Wales, Tasmania, the Australian Capital Territory and the Northern Territory where Tatts Lotteries, a business unit of Tatts Group Ltd, a publicly listed company holds the licence to operate the lottery in each of these States and Territories.

In Victoria and Tasmania a second lottery operator, Intralot Australia, holds a licence to operate instant lotteries and State-based games only. In those States only Tatts Lotteries can offer the Australian Lotto Bloc games.

In May this year the South Australian Government announced its intention to offer for lease the licence to operate the South Australian lotteries. Currently the operator is the South Australian Lotteries Commission, a statutory authority of the South Australian Government.

These decisions by other Australian State Governments are of relevance to Lotterywest as we operate our Lotto products (Saturday Lotto, Monday/Wednesday Lotto, OZ Lotto and Powerball) as well as Soccer Pools and Super66 in partnership with the other Australian Lotteries through a series of formal agreements known as the 'Bloc' agreements. With 84% of our revenue coming from the products we operate jointly, any changes to the legal entities in the Bloc is of relevance to us. The Western Australian Government has made clear that privatisation of Lotterywest is not an option it proposes to consider.

Internally, much of our focus in the past year has been on the continued development and improvement of new business systems to support the management of our business and the achievement of our goals. In 2008 we implemented the first stage of a new business enterprise system based on a SAP platform. Much work is still required to gain the full benefit of these new systems.



Back on track in Kojonup

After 21 years of hard work, volunteers have restored the Kojonup Tourist Railway, making one of the State's few light railways run again.

Backed by the whole community, the work forged strong friendships.

The railway offers a journey back in time to some of Kojonup's significant sites. A Lotterywest Grant for \$19,900 has extended the enjoyment, with an extra 8km of track laid in Farrar Reserve.

There have been challenges for Lotterywest, in particular for our corporate services team during the past year as a result of unavoidable delays in implementing some of the improvements that have been identified in the existing SAP system as being necessary to achieve the real efficiencies in our work processes which was the objective of the original implementation. We are confident that as we make those improvements in the forthcoming year we will achieve those efficiencies.

The primary new business improvement project in the past year has been the development of a completely new grants management system which went live on July 11 as previously reported. This has been a project in the making for the last three years, with senior members of the grants staff seconded to work exclusively on developing a world class internal grants management system as well as improved customer service. This particular system combining grants and records management on a SAP platform is the first of its kind in the world.

As well as the focus internally on our grants management systems, we have continued to work on our leadership role with the community sector and to contribute to the work of other government agencies in their responsibilities in working with the community.

Last year the Government announced a new 'social agenda' which has meant significant and positive changes for the relationship between the Government and the community sector. We have contributed to the various forums created to work on this including senior representation on the Community Building Steering Group and on the Community Services Director-Generals Group.

Time has been spent with our Board reflecting on the principles which underpin our grants role in the

community and on how we can best 'make a profound and positive difference'. Two special planning sessions have been held by the Board on this, the outcome of which is reflected in the [Beneficiaries section of this report](#).

While working on a wide range of projects designed to grow sales and improve our business we have also focussed on the development of our staff who are the most critical element in our success. In February last year we undertook an employee opinion survey and in March this year the survey was repeated. These surveys have shown that staff value working at Lotterywest, are generally happy in this workplace, and are proud of our role in the community.

Additional resources have been directed to the organisational and staff development function which is now much more strategic and is linked clearly to the Strategic Plan. The key tasks this year have been to develop a new performance management system and new role statements linked to this performance management system, with further links to the capability framework and to Lotterywest values.

In addition, an improved approach to the leadership and management development in our senior managers group has been put in place and the first group of managers have completed that program. All staff have participated in communication skills development with coaching and delegation skills training for all staff with supervisory responsibilities. The 'Wellness Program' remains popular and the staff survey shows that this is one of the most valued aspects of working at Lotterywest for our staff.

I would like to place on record my appreciation to our staff for their work and the contribution they have made in what has been a very challenging year with many different projects and changes. I am grateful for their loyalty and their commitment to Lotterywest.

Our Board is the authority responsible for Lotterywest and the oversight of all aspects of the business. I am grateful for the leadership of the Chairman, John Atkins, and express my appreciation to all members of the Board and to the independent chairman of the Audit Committee, Campbell Ansell, who has served in this position for many years.

This year saw the resignation of Professor Linda Kristjanson who took up a new position in Victoria as the Vice-Chancellor of Swinburne University of Technology. We thank her for her contribution in the time she was a member of the Board and welcome Professor Maria Harries who took up her appointment in June 2011.

Finally, I thank the Premier as our Minister for his support in the past year.

We are pleased with the results recorded in this annual report and are committed to work towards the achievement of our objectives for the benefit of the community in the year ahead.

Jan Stewart PSM
Chief Executive Officer

The Lotteries Commission Act

Under the Lotteries Commission Act (section 22 relating to 'Distribution of lotteries and Lotto moneys'), prescribed percentages of 'net subscriptions' (i.e. sales, less prize payments) are allocated to specific groups of beneficiaries.

Forty percent of net subscriptions, which is in effect about half the funds available for distribution each year to beneficiaries, goes to the State's consolidated fund where it is then allocated to the special account held in Treasury under the Hospital Fund Act 1930. These funds are used by the Department of Health for a range of health services throughout the State.

Five percent of net subscriptions go to the consolidated fund for the Sports Lottery Account and a further five per cent to the Arts Lottery Account. The funds in these accounts are distributed 'by or on behalf of' the relevant Minister.

In the case of sport and recreation it is 'in such proportions and among such bodies engaged in the conduct of sport in the State as the Minister for Sport and Recreation thinks fit.'

The Minister for the Arts distributes the funds in the Arts Lottery Account 'in such proportions and among bodies engaged in cultural activities and persons engaged in cultural activities, in the State as the Minister for The Arts thinks fit'.

How the funds to Health, Arts and Sports (our 'statutory beneficiaries') are used is described further in this report.

The Act further specifies that 12.5 percent of net subscriptions be paid each year 'to such eligible organisations as the Commission thinks fit and the Minister shall approve for such approved purposes as the Commission thinks fit and the Minister shall approve.' These are the funds which Lotterywest itself administers and to which we refer to as 'direct grants'.

In addition to the money raised each year from the sale of lottery products which is allocated to 'eligible organisations and eligible purposes' (defined in the Act very broadly 'as not-for-profit community organisations and local government authorities' for 'charitable or benevolent purposes'), the Act also provides that any other revenue not required, after all statutory obligations are met and all business costs are paid, may be directed to eligible organisations.

The source of these additional funds may include interest earned on investments, forfeited prize money and reserves which the Board determine are not required for Lotterywest business purposes.

There is one further section of the Act prescribing the distribution of funds to beneficiaries. This relates to a 1992 amendment to the Act which added the Perth International Arts Festival and the screen industry as beneficiaries. The Act refers to 'such body corporate as

the Commission thinks fit and the Minister approves, for the purpose of funding incentives to undertake or projects to facilitate the undertaking of, commercial film production in the State' and 'as recommended by the Commission and approved by the Minister to the University of Western Australia or any other body corporate which is, at the time of payment administering or managing the Perth International Arts Festival,' for the purpose of assisting the funding of the Perth International Arts Festival.

The Act provides that 'an amount not exceeding 5 per cent (of net subscriptions) may be used for this purpose. The beneficiaries of this section of the Act are ScreenWest, the screen funding authority, and the University of Western Australia.

These grants to ScreenWest and the University of Western Australia are made under the Lotterywest direct grants function. The activities of the Grants and Community development function of Lotterywest are outlined in this report.

Planning for our future

Planning framework

Business planning

Together with the Board we have reviewed our Strategic Plan 2010-14 and key performance measures.

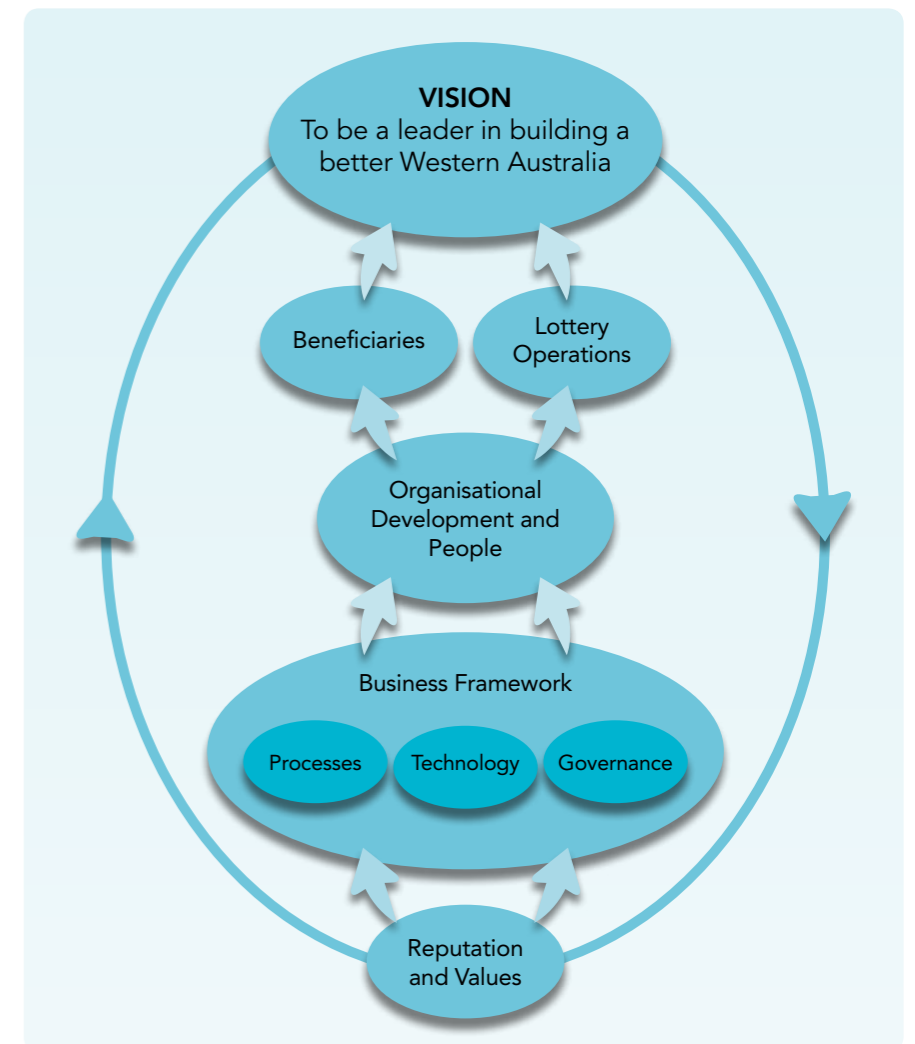
The review explored emerging trends and business opportunities. We confirmed that the main elements of the plan remain relevant and will continue to guide our business until the completion of the period covered by the plan. At a special planning meeting of the Board and the Executive Team in January 2011 we also identified a number of areas for focus.

These focus areas represent the most important aspects for Lotterywest's business in the immediate future and offer the greatest opportunity to build on our success.

They are listed as separate elements but are all intrinsically linked. The ultimate aim is to identify initiatives or projects that will drive our business, improve performance and lead us to achieve our goal. This is:

'To make a profound difference to the community of WA and to all with whom we come in contact.'

These five focus areas have been identified as requiring special focus in the year ahead:



Our vision:
To be a leader in building a better Western Australia

Peter and Arthur
from Information Services



Wilson Inlet, Denmark

The digital future
The modern lottery industry is virtually completely reliant on technology. The way we engage with players, retailers and grant recipients is constantly evolving to include new digital media.

In common with the rest of the commercial world, we need a full understanding of this digital environment to grow our business, strengthen relationships and guard against threats and challenges.

Distribution
The retail environment has changed since the Global Financial Crisis of 2008. Household spending is down, interest rates are rising and the purported WA mining boom has not delivered to the wider community the benefits initially expected. This has clearly affected the performance of significant numbers of our retailers.

To maintain our business success Lotterywest must respond to these challenges and identify new strategies to support our retail network and engage with our players.

Business intelligence and performance
Improving decision making depends on availability of information and reporting. Business intelligence means not only technological solutions but also providing supporting data and information necessary to make decisions based upon accurate evidence of business performance and other internal and external factors affecting the market and business environment. We will be working on the development of improved business intelligence.

Organisational capability
Organisational capability means having the right staff with the right skills in the right jobs. Our main people challenges are developing a performance-based culture, improving employee engagement, commitment, accountability and responsibility, managing changes in systems and processes, improving leadership, rewarding staff and identifying/managing talent and succession planning.

Reputation
Lotterywest has worked hard to develop a respected and highly recognised brand. Its strength depends on the quality of our relationships with all those with whom we come in contact. We will continue to find ways of both strengthening current relationships and making new ones.



Fresh life for Wilson Inlet

Sedimentation and algal bloom threatened the health of the Wilson Inlet near Denmark.

A Lotterywest Grant of \$104,655 to the Wilson Inlet Catchment Committee has helped restore natural vegetation along waterways feeding into the inlet.

The grant enables a project officer to work with land owners to fence, plant and create stock crossings to stem the flow of nutrients. Denmark Agricultural College students help monitor the water quality. The project also aims to encourage farmers of the future to understand sustainable land management.

Sharing the benefits of our business

Beneficiaries

In the beginning

When Lotterywest as the Lotteries Commission of Western Australia (still its official legal name) was set up in the 1930s to run the State lottery and to control illegal gambling, the primary purpose was to raise funds for hospitals and for charitable and community groups.

This fundamental purpose of serving the community has been the ethos which has shaped the way Lotterywest has operated since those early days. During the years very few changes have been made to the original legislation under which Lotterywest operates and the direct link with health services and charities has remained. Arts and sports were added as beneficiaries in the early 1980s when the first instant lotteries were introduced.

The Lotteries Commission Act (1990) under which Lotterywest now operates was comprehensively rewritten in 1989, but in essence affirmed health services, charities and community groups, arts and sports as the beneficiaries. An amendment to the Act in 1992 added the Perth International Arts Festival through the University of Western Australia and the film industry through ScreenWest as specific beneficiaries.

The Act clearly prescribes how the revenue is to be divided between the various categories and beneficiaries.

What is unique about Lotterywest compared with all other Lotteries in Australia and indeed most other lotteries in the world is that the Board of Lotterywest is itself responsible for making direct grants to community and charitable groups. Those funds are not channelled to another distributing body as is the model in most countries.

From when the first grants were made to around 40 different Western Australian charities in March 1933, a week after the first official State lottery draw, it was clear the Commission saw its role as more than simply distributing funds.

Frequently initiating and supporting innovative approaches to the social issues of the day, the records show that from the beginning the Commission worked closely with the community.

Drawing on Lotterywest's financial resources, as well as the growing expertise and experience in the grants team, this developmental approach to our grant making – with the support and leadership of the Board – has been even more actively pursued in the past two decades.

Our grant making is based on the principles of flexibility and responsiveness, designed to establish strategic and deep relationships with not only potential recipients but all key stakeholders.



Shire of Ravensthorpe – Community Childcare Centre



Beneficiaries outcomes:

- Optimise returns to our beneficiaries as stated in our Act.
- Provide leadership to our beneficiaries to enable them to best contribute and support the quality of life for all Western Australians.

Shire of Ravensthorpe – Community Childcare Centre



Academy Award winner Shaun Tan signs books at the Fremantle Children's Literature Centre Open Day

We work closely with customers to understand and respond to their needs, aspirations and circumstances.

In recent months our Board and senior staff have been reflecting on our community role and how best to contribute to building a better Western Australia. The question is how to make the greatest difference through our grant making, our capacity to influence and lead, and our relationships and networks across the community sector. We have discussed how to make wise decisions on the use of our available funds.

Putting the people first

We live in a complex and changing society in a time of economic uncertainty for many people. Homelessness, mental illness and economic hardship are increasing. Community agencies are struggling to respond. The State

Government recently set a social agenda and is seeking to work with community agencies – particularly those involved with the most vulnerable, including people with disabilities. Lotterywest seeks to make a contribution in this area.

This Government's social agenda, articulated in the Economic Audit Committee Report 'Putting the People First', included a commitment to partner with not-for-profit community service bodies to help WA's most disadvantaged people. The recent State budget increased funding for organisations delivering critical services.

The Chief Executive Officer and senior grants staff have participated in consultations and reference groups with Government agencies and community organisations to support this reform, which has been welcomed by the community sector.

Requests for Lotterywest financial support have increased in the past year, often for innovative and creative projects. Applicants look to us for leadership and advice in the development of these projects. This has placed demands on staff at a time of considerable internal change, as documented further in this section.

The importance of relationships

During the past year we have further developed and formally endorsed our relationship model of grant making which began in 2008.

All rural regions of WA and the metropolitan area are served by grants teams responsible for developing Local relationships with individuals, community groups, State government and local Government agencies. This gives our staff a broad overview of the communities' needs and personal relationships with others working in that area or region.

As well as regionally specific knowledge, staff are also assigned to specialist grant areas – for example, children and family services, disability, aged care, heritage and conservation. This helps us make the best grant decisions.

Although in practice we have built on this for many years, it is in the last few years that we have defined this as a formal part of our approach. The importance of relationships is shown in our planning, the resources within our grants team, and ultimately in the service we offer.

Maintaining strong relationships for grant making involves visiting communities as much as possible. This year we have continued regular travel to the regions to make site visits, offering public seminars and information sessions to organisations seeking funding.

Seminars have been held in Esperance, Kalgoorlie, Waroona, Merredin and Corrigin. Grants staff have made presentations at seminars hosted by the Cities of Canning, Cockburn, Bayswater and South Perth

Recently Lotterywest received two emails from grateful recipients which illustrate how we work and the benefits, some intangible and long-term, that flow from our grants.

Dear Lotterywest,

I am a member of Volunteering WA as the Team Leader of Volunteer Services for Silver Chain. Volunteering WA plays a very important role in supporting myself and the many other Volunteer Managers across the state in metro, country rural and remote areas.

The opportunity to attend the symposium over the past two days provided a wonderful space for us to network, discuss issues and concerns across the sector and also have some amazing presentations from some fantastic leaders in our sector. The last one of these was held in 2001 and in 10 years the sector has changed so much in this time, as has the research direction.

We want to acknowledge Lotterywest's contribution to making this great event happen.

Lotterywest do so much for the community members and I know you cannot help everyone, but the support of this event was just great and we appreciated the opportunity to learn, develop and network with our peers.

Please pass on my thanks to those who supported this event. The funding makes things like this possible and is appreciated.

Keep up the great work,

Kind regards

Brad McKay
Team Leader, Psychosocial Services & Volunteers,
Silver Chain

Dear Lotterywest,

Every time I see the Lotto advertisement (the 'Catch A Falling Star' one) at the Somerville PIAF Film Festival, I think of how extraordinary it was that Lotterywest agreed to give me substantial funding, so many years ago, to equip and furnish my dream: The Fremantle Children's Literature Centre.

The Fremantle Prison had closed and my idea had been accepted by the Committee deciding on who should be the first new 'inmate'. I had gained Federal money to restore the Old Prison Hospital, and Federal money to run the Centre for two years, but I had no equipment and no furniture! Lotterywest to the rescue! How amazing that something that was just a dream, albeit a very exciting one, should be given such a substantial amount.

Now my dream is acknowledged all over the world as the leading centre for children's and young adult literature and international visitors are frequent. Throughout Australia others are attempting to establish Centres based on our model. Indeed, in December 2009 Julia Gillard wrote to all the State and Territory Education Ministers praising the Centre and recommending they set up ones based on our model. In August last year I was flown to Brisbane where the Governor-General gave me The Children's Book Council's Nan Chauncey Award which recognised the contribution to children's literature the Centre had enabled me to make.

So dreams can come true if those who have the power to do so assist them at the beginning of the journey. Never underestimate what these leaps of faith, followed by large cheques, mean.

Warmest wishes,

Lesley Reece
Director, Fremantle Children's Literature Centre



New Grant Guides and information booklets

(together with the Town of Victoria Park). We have also presented to groups such as Police Rangers, PCYC Cadets and Playgroups WA.

Staff have presented at conferences of Volunteer Resource Centres and Local Government Managers, as well as the Community Resource Centres Forum and State Youth Affairs Conference.

We share with local communities the impact Lotterywest Grants are having in their community and region through regular press advertising and local radio highlighting a range of grant stories.

Accountability

Underpinning this customer-focussed grant making approach is a rigorous system of accountability for the use of public money. At the end of the 2010/11 financial year 96% of all grants

approved since 1987 were fully acquitted or accounted for. All current grants not acquitted are under active management, according to agreed timeframes and processes.

Accountability for all aspects of grant making is embedded in our work processes. Our quality assurance system ensures that assessments and recommendations to the Board – which in turn recommends the grants to the Premier for approval – are transparent, consistent and rigorous and, most importantly, result in benefit to the community for which the applicant is seeking Lotterywest support.

We report quarterly to the Board on these reviews, which form the basis for our internal audit requirements and external audit through the Office of the Auditor General.

New system for a new era

Over the years the value, volume and complexity of grant making has grown considerably. We now have over 11,000 organisations in our database and over 800 beneficiaries active in grant management, payment and acquittal.

Approximately 300 applications are under assessment at any one time, so we need a sophisticated and integrated system that covers management, tracking and reporting.

Since the late 1980s, when manual management of the number of grants became impossible, Lotterywest has used in-house developed management systems. The first of these was replaced in the mid 1990s. The technology is now outdated and can no longer be supported.

In February 2006, Lotterywest began a project to replace all management information systems with an integrated enterprise-wide system. The finance and procurement systems, payroll and elements of customer relationship management have already been replaced. Part of the project's second stage is a grants system suitable for our growing needs.

More than three years of preparation has gone into the grants element of this project, now known internally as 'Merlin'. For the past year this has been the primary focus of the project office and grants staff.

The new system went live on July 11, 2011. Integrated with all other Lotterywest systems, it improves reporting and analysis, grant assessment and approval, application processing and payment.

In February we launched a new Lotterywest website with a grants section that has easily accessible information and, most importantly, enables community organisations to submit applications online, an innovation requested by our customers for many years.



L-R: Sonia and Marisa from Grants and Community Development



These changes to work processes have led to a review of the grants team structure, for the benefit of Lotterywest and our customers.

Better information, better connections

We have updated all grant information materials and introduced new application forms. Although the same principles and assessment considerations remain, applicants can now choose from a simple list based on the most common types of grant requests.

We have also improved all printed materials, this includes the booklet 'Our Grants', giving an overview, 14 individual Grant Guides to the common grant types, and four Resource Kits to help applicants understand considerations during assessment. These booklets and guides, primarily for first-time applicants, use clear language and avoid jargon.

The new grants website is designed to inform both new and regular customers. By clicking on 'Grants Steps' on the Grants homepage, customers can find out about all stages of an application, while applicants familiar with our business can go directly to online grant application forms for each grant type. The site also includes examples of projects and organisations supported by Lotterywest Grants.

The new materials and online focus do not replace our direct customer relationships. We still strongly encourage customers to contact us in person before beginning a formal application.

Working with the community and philanthropic sector

New or enhanced grants approaches were developed this year in partnership with community organisations.

One example this year was our renewed commitment to giving opportunities for people with disabilities to participate in recreational and social activities.

People with disabilities often experience greater challenges and barriers. After collaboration with National Disability Services WA (NDS), a new grants initiative will be launched in the second half of 2011. These grants will be available through NDS for activities for people with disabilities.

This may mean one-on-one support, change of activities or venues, or specialist equipment and aids. At the same time, NDS will work to help organisations supporting such people. Though there is some government support to meet needs such as specialist equipment, more help is needed.

Supporting Arts and Culture

With a broad canvas of responsibilities, [Department of Culture and the Arts](#) supports the impetus for the creation and consumption of artistic endeavours and cultural experience in the State.

The funding from Lotterywest to the Department of Culture and the Arts as required in our Act, provides the core operating and infrastructure funds for 49 cultural and arts organisations.

These organisations include the major arts companies such as the WA Ballet Company, the Western Australian Symphony Orchestra, the WA Opera company, the Black Swan Theatre company as well as many smaller organisations.

Some examples of the diversity of our support to Western Australia's cultural community include:

STEPS Youth Dance Company

STEPS Youth Dance Company hit the road in April 2011 with its critically acclaimed major production PHOENIX, touring to Albany and Kalgoorlie to perform and offer free dance-theatre workshops to schools and community groups.

In June STEPS received its third nomination for an 'Outstanding Achievement in Youth or Community Dance' in the 2011 Australian Dance Awards.

The Blue Room

In 2010 approximately 10,000 people attended a performance program involving 283 artists at the Performing Arts Centre Society, generally known as The Blue Room theatre. Its two seasons in 2010, 'Old Enough to Know Better' and 'Young Enough to Do it Anyway',

marked the theatre's anniversary, combining experienced and emerging artists in a program of 15 innovative works.

The Blue Room also presented its eclectic 'Random Acts' program of weeknight theatre, designed to encourage risk-taking and critical debate.

WritingWA

WritingWA invested in three streams of regional activity, including writers'

festivals, workshops and 'Writers in Libraries' events.

This increased engagement with Western Australian writers and supported emerging writers in regional WA. In the previous year 6,926 people attended writers' festivals in Kununurra, Geraldton, Bridgetown, Margaret River and Albany, and 539 people participated in a regional writing group workshop or attended an author event.



WA Ballet's performance of Cinderella



WASO's Symphony in the City. Photo by Tony McDonough

The Independent Living Centre (ILC), in The Niche Lottery House in Shenton Park, has for eight years managed a grants program for equipment which enables people with disabilities to live independently. Lotterywest grants of \$1.13 million for this purpose helped over 450 people this year. The grants paid for vehicle modifications, specialised driving lessons, air conditioning for people unable to regulate body temperature, communication devices and assistive technology that has particular application for users with disabilities.

This year Lotterywest and the ILC discussed the results of this initiative and how they could be strengthened. As a result, equipment and support have been expanded to include wheeled mobility devices, electric or adjustable beds and hoists, and mainstream communications technology. There has also been support for people with degenerative cognitive impairments, neurological conditions or mental illnesses who require clinical evaluations to enable them to have driving lessons and obtain driving licenses.

Community access to the arts and cultural experiences

Just as there are physical barriers for people with disabilities, financial and other restrictions prevent others enjoying the arts and other cultural experiences that make for rich community life. There are also social, cultural and geographic barriers. In the last two years we have been working with organisations to increase access to a range of cultural activities.

This has included support to the West Australian Symphony Orchestra, which stages the open-air 'Symphony in the City' as a free event on the Esplanade.

We have supported the WA Opera in staging its annual 'Opera in the Park' in Perth. This is now broadcast live to regional centres where local communities host their own celebration and live performance alongside the broadcast performance.

Leading in the community sector

Our charter to support the community in the widest sense means that we have gained over the years a very broad understanding of the not-for-profit sector, societal trends and challenges. The CEO and the grants staff sit on policy groups, committees and panels to share this knowledge.

These include:

- Philanthropy in WA Steering Group, and subsequently the Board of a new organisation, Giving West, in an advisory role
- State Government Community Services Director-General's Group
- State Government Social Policy Director's Group
- State Government Homelessness Strategy Advisory Group
- Chamber of Commerce and Industry (WA) Social Policy Group
- State Government Economic Audit Committee Community Building Steering Group
- Commissioner for Children and Young People Best Practice Project Advisory Group
- Taxi Industry Board – Multi-purpose Taxi Review Subcommittee
- Various Grant Panels such as the Office of Multicultural Interests, Office of Youth and WA Grants for Women
- Awards Panels, including Office of Seniors Interests Seniors Awards and Youth Awards

Supporting Sports and Recreation

The [Department of Sport and Recreation](#) contributes to the healthy lifestyle of Western Australians by increasing physical activity in the community through sport and recreation.

Our support this year to sports and recreation as required under our Act, amounted to \$12.6 million. Approximately half of this is directed to 82 State sporting associations and 5,000 sports clubs and programs.

The balance goes to the Western Australian Institute of Sport (WAIS), providing its primary source of income.

For over 25 years WAIS has been nurturing heroes. Since opening in 1984 it has produced 18 Olympic Gold Medallists, 23 Paralympic Gold Medallists and 39 World Champions – many of these multiple medallists.



Since its early years WAIS has received annual funding from the Sports Lottery Account, enabling WAIS to produce world class athletes for the 2010 Commonwealth Games in New Delhi, India.

Compiling the story of WAIS and the athletes guided by its coaches and other staff was supported by an additional grant from Lotterywest as part of our support for organisations to write community histories. This resulted in publication of 'Going for Gold: Champions of the West', a colourful snapshot of the Institute's first 25 years and the State's broader sporting history.

Our funding for sport and recreation through the Department of Sport and Recreation brings together people from all walks of life, ranging from the highly competitive to those who enjoy simple physical exercise and social interaction.

This year's projects include:

- Clubs Online – an online community for the State's 5,000 sport and recreation clubs, offering free websites, practical information on running clubs and a forum for ideas.
- Northbridge Diversionary Project – midnight Basketball programs in Midland and Armadale to engage youth at risk.
- Nyoongar Cultural Corridors Diversionary Project – connecting Aboriginal youth to their culture and community through traditional Aboriginal dreaming trails where they learn dance, language, songs and tool-making, cultural mapping, bush and trail care.
- South East and Stirling culturally and linguistically diverse (CaLD) projects – encouraging people from these backgrounds to participate in sporting clubs and connect with their communities.
- Katanning – a variety of programs to include people from Aboriginal and CaLD communities.
- Trails – support is provided for the development of trails in communities around WA.
- Care through Fitness – giving professionals skills to work with Autistic Spectrum Disorder.
- Nature Play WA – encouraging children to get outside in the fresh air, connecting with nature and unstructured play.
- Volunteer support – giving clubs information on gaining and retaining volunteers to ensure they are recognised for their contribution to communities.
- IT and social media – helping sports organisations make use of technology, including social media.



Community advertisements sharing Lotterywest Grants at work

Black Swan Theatre has broadcast 'A Midsummer Night's Dream' to regional communities, complemented by free workshops and other community activities.

WA Ballet has staged additional matinees, supported by Lotterywest, during two of its annual seasons and invited groups of people who might not normally be able to attend.

These have included refugees and people with impaired hearing and eyesight. In the case of those with vision impairment, the performance of 'Sleeping Beauty' was preceded by an information session by the WA Ballet's Artistic Director, who described what was about to appear.

The audience members had the opportunity to touch the costumes

and stage set and could hear an audio description of the ballet as it occurred on stage.

The matinee of 'Cinderella' for those with hearing impairments had interpreters to help them follow the performance.

Tough times after disasters

In the last year several places in WA were hit by natural disasters. There were floods in the Gascoyne, storms in and around Geraldton and York, and serious fires in the South West and around Perth. At such times people rely on community organisations to get through day by day.

We have worked with Local government authorities, the Red Cross and other community organisations. Our grants helped meet critical needs, such as meals and accommodation, in the immediate

aftermath, but our support is also needed later when the community tries to get back on its feet. For example, following the Gascoyne floods, a grant to the Geraldton Resource Centre supported the Carnarvon Legal Response Taskforce in responding to legal issues for people affected. Damage by the Lake Clifton fires saw the Mandurah Wildlife Rescue Group needing urgent support for treating and housing injured animals. A grant helped to provide fencing, medication and food for the wildlife.

Our grants team continues to support the recovery work following these disasters.

Spreading the word on success

Our relationship with Lotterywest retailers and their staff is very important. The community organisations we support are always happy to be reminded that it is through the efforts of retailers selling Lotterywest products that they are able to gain Lotterywest Grants.

Where possible we bring our partners together to share their stories directly. There are a range of occasions where we arrange for this to happen. Retailers are invited to attend functions hosted by community organisations such as the opening of facilities and to join in other social occasions including fundraising lunches and performances by arts organisations we support.

Passing on the benefits

Lotterywest's national reputation as a grant maker applying best practice means we are frequently invited to share our expertise and experience. This includes working with Government agencies as they establish new funding or grants initiatives, advising the corporate sector and philanthropic organisations looking to support the community, and speaking at conferences and seminars.

This year the General Manager gave a presentation as part of a panel at the Australian Council of Social Services National Conference on the subject of

Advisory committees and members

For a number of years Lotterywest has engaged experts in a range of specialised fields to join voluntary committees to support us making more informed grant decisions.

We thank all those who contributed to our advisory committees in the past year.

The following offered time and specialist knowledge during assessment of historical projects:

- Mr Steve Howell**
Senior Subject Specialist, J.S. Batty Library
- Dr Bobbie Oliver**
Senior Lecturer, Curtin University
- Ms Julie Zuvela**
Local History Librarian, Cottesloe-Peppermint Grove-Mosman Park Library

The following gave technical input to policy development and grants assessment for projects on cultural heritage:

- Mr Stephen Anstey**
Curator of History, Western Australian Museum
- Ms Carol Littlefair**
Curator, York Residency Museum
- Ms Val Humphrey**
Curator, Whiteman Park
- Ms Helen Munt**
Regional Advisor, Heritage Council of WA
- Ms Catherine Czerw**
Independent Arts Curator
- Ms Patsy Vizents**
Heritage Officer, Rottnest Island Authority
- Mr Graham Horne**
Chairman, Army Museum of Western Australia

The Department of Sport and Recreation is convenor of the Trails Panel which offers community input and specialist advice to our Trails Program. Panel members are:

- Ms Jennifer Riatti**
Director Programs and Services, Department of Sport and Recreation
- Mr Geordie Thomson**
Manager Recreation, Department of Sport and Recreation
- Mr Thomas Perrigo**
Chief Executive Officer, National Trust of Australia (WA)

- Ms Linda Daniels**
Executive Officer, Bibbulmun Track Foundation
- Mr Tom Tuffin**
Administrator, Friends of the Cape to Cape Track
- Mr Mathew Wardell**
Acting Tracks and Trails Coordinator, Department of Environment and Conservation

The Independent Living Centre manages the Lotterywest Disability Equipment Grants Program, supported by a Sector Advisory Group. Members are:

- Ms Nicki Longmire**
Project Manger, Independent Living Centre WA
- Mr Chris Whitelock**
Director Corporate Services, Association for the Blind of WA
- Mr Greg Madson**
President, Blind Citizens Association of WA
- Ms Tracey Delamare**
Manager SATS, Rocky Bay Inc
- Ms Louella Vogel**
Kids and School Advantage Manager, Therapy Focus Inc (resigned October 2010)
- Ms Sandra Falconer**
Clinical Services Manager, Therapy Focus Inc
- Ms Melissa Chatley,**
Service Contract Development Officer, Disability Services Commission (resigned November 2010)
- Ms Mona Soliman**
Service Contract Development Officer, Disability Services Commission
- Ms Robyn Loxley**
Senior Occupational Therapist, MS Society of Western Australia (Inc.)
- Mr Peter McDonnell**
Consumer Representative



Gondwana Link in association with Noongar Youth Diversion Programs

gambling and social disadvantage. The Lotterywest model was highlighted as a form of gambling which took social responsibility seriously and brought benefit to the community.

Encouraging others to contribute to services and projects is a Lotterywest strategy.

In 2009 we built on the growing business and public interest in philanthropy by making a grant to the University of Western Australia. UWA, on behalf of a group of interested individuals, led a research project on community attitudes and the level of giving.

From this research, which investigated the potential for a stronger culture of giving, a report was published titled 'A Rising Tide – Exploring the Future of Giving in Western Australia'. An organisation called Giving West was established. Lotterywest, and corporate and private donations, have supported the campaign to promote giving.

Our principles for grant making

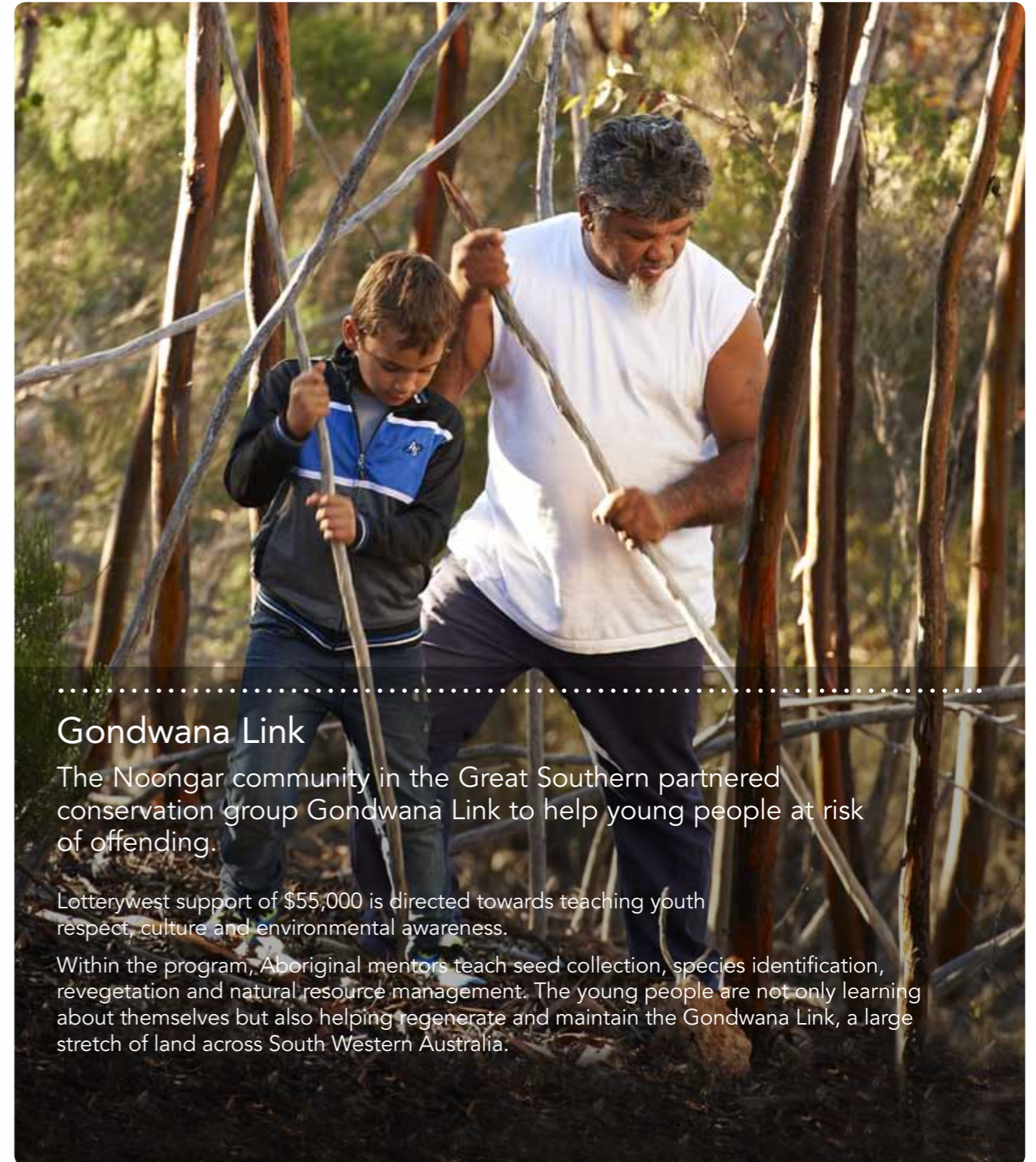
This year we reviewed and affirmed our commitment to these principles in grant making:

- A submission-based approach where organisations work with us to make applications in the best way for them and the community they serve.
- Balancing needs, supporting critical services and initiatives that help disadvantaged people as well as projects that benefit the wider community.
- Flexibility, recognising changes in community needs. We aim to have processes in place to respond, both before and after a grant is approved.
- Strengthening the community sector as a whole. Lotterywest is rarely the sole funding source for any project, so we strive for an inclusive approach which involves others contributing, particularly to major projects. We help organisations link with funding sources.

Quality grant practice

We are committed to quality in our grant making. Each year a random sample of grant files is reviewed quarterly against these requirements:

- Eligibility of the applicant and the request under the Lotteries Commission Act
- Review against grant policy and assessment considerations
- ABN and GST requirements are met
- Grant acquittal history is satisfactory
- Organisational capability (governance, management, financial viability and management ability) are evidenced
- A Board report is prepared and authorisations obtained
- The Board and Ministerial decisions are implemented



Gondwana Link

The Noongar community in the Great Southern partnered conservation group Gondwana Link to help young people at risk of offending.

Lotterywest support of \$55,000 is directed towards teaching youth respect, culture and environmental awareness.

Within the program, Aboriginal mentors teach seed collection, species identification, revegetation and natural resource management. The young people are not only learning about themselves but also helping regenerate and maintain the Gondwana Link, a large stretch of land across South Western Australia.

Perth International Arts Festival and ScreenWest

The Lotteries Commission Act (1990) was amended in 1992 to add the Perth International Arts Festival (PIAF) and the commercial screen industry as named beneficiaries under the Act.

Since then annual grants have been made to UWA as the auspicing body of PIAF and to ScreenWest as the body responsible for leadership of the State's screen industry.

In recent years, Lotterywest has had a four-year funding agreement which allows PIAF and ScreenWest the lead time required to plan for their organisations. Each year they are required to report outcomes, acquit the previous year's grant and formally apply for the next year's grant.

In June 2011, the Board approved a recommendation in principle to provide both organisations \$22 million each in the coming four years. The grant to PIAF included an additional amount to help develop works of international quality with local arts organisations, a program to be called 'Vital Stages'.

Perth International Arts Festival

The Lotterywest Grant of \$5.2 million for the festival in 2011 is by far the greatest proportion of PIAF's turnover, comprising 58% of non box office revenue. This enables delivery of international and local arts experiences that enrich cultural diversity.

PIAF recognises Lotterywest's contribution with the title 'principal partner' in the film festivals at the Somerville Auditorium at UWA and The Pines, at the Joondalup campus of Edith Cowan University.

Apart from films, theatre, dance, and

community events are offered by PIAF. The family day during the 2011 Perth Writers Festival saw children and parents enjoy story telling and discussion of literature. 'Les Giraffes', a performance of street theatre, attracted a very large crowd to see an opera make its way from the Perth Cultural Centre along Francis Street to Russell Square. 'The Manganiyar Seduction', a colourful percussive performance by Indian artists at Perth Concert Hall, was a sell-out.

In the period covered by the four-year Lotterywest Grant just completed, 2008-11, PIAF – as well as winning critical acclaim for its productions – reported these achievements:

- 424,544 film patrons – up 37% on the period 2004–07
- 331,849 performance program patrons – up 57% on 2004–07
- Total ticket buying audience 756,393 – up 45% on 2004–07
- Total audience was 1,846,801 – up 23% on 2004–07

ScreenWest

Over the previous four-year agreement with ScreenWest, Lotterywest's support has enabled television and film productions totalling \$163 million to be made in WA. This has provided employment opportunities for WA's creative sector, for example, 76% of the producers, directors and writers employed were Western Australian.

In 2010/11, Lotterywest gave \$5.2 million to ScreenWest, supporting the filming of 32 screen productions. This

included feature film *Drift*, children's TV comedy series *Mal.com*, Indigenous talk show hosted by Mary G, *Straight Shootin'*, six factual TV series, four documentaries, as well as short films and a digital multimedia project. The total value of the productions exceeded \$27 million.

Western Australia's filmmakers are making stories for national and international audiences. Important stories that screened during the year included feature film *Mad Bastards* and ABC TV documentary-drama *Jandamarra's War*.

Mad Bastards had its international premiere at the high profile US Sundance Film Festival in January 2011 and screened in cinemas throughout Australia.

Jandamarra's War is the true story of a charismatic Aboriginal leader. Filmed on traditional Bunuba lands in the Kimberley region and starring Aboriginal people from the Kimberley area, locations include the spectacular Windjana Gorge and Tunnel Creek National Parks, and the Leopold Downs and Fairfield cattle stations.

During the year ScreenWest developed a new Strategic Plan for 2011-2016 to ensure the core principle of providing effective and long lasting support to WA's talented storytellers remains in the face of a rapidly evolving environment of technological advancements and changing audience needs.



'Les Giraffes' –
Perth International Arts Festival

Supporting Health Services

This year, Lotterywest funding of \$101 million helped contribute to safe and high quality [health care](#) which is delivered to nearly 2.3 million Western Australians across an area of 2.5 million square kilometres.

Made up of 40,000 people, WA Health (the department which leads and manages the health services in the State) is responsible for handling every aspect of health service delivery at hundreds of sites across the State.

In the past 12 months WA Health has:

- handled around 890,000 emergency department visits
- completed more than 80,000 elective surgery cases
- delivered around 30,000 babies.

Lotterywest funds help resource a number of hospital-based initiatives aimed at improving patient care. This funding is of particular significance given the increasing demand that is being placed on our public hospitals.

Western Australian hospitals are now performing more elective surgery than ever before, while also managing an annual average increase of 4.5% in emergency department attendances.

All Lotterywest funds are shared between three area metropolitan health services and the WA country health service.

As well as helping to improve patient care across the State, Lotterywest also contributes to a range of health equipment and services such as:

- medical imaging equipment
- specialist maternity services
- health and medical research
- vital equipment for country hospitals.

Specialist maternity services

Lotterywest funding has helped contribute to a range of specialised maternity services at King Edward Memorial Hospital.

Services such as the Family Birth Centre offer mothers the highest quality of care in a safe and nurturing environment. The Family Birth Centre was constructed in the late 1980s with the assistance of a substantial Lotterywest Grant. This centre has been highly valued over the years since its establishment as an option for families who choose this kind of facility for the birth of their babies.

No matter where parents live in Western Australia, they can take comfort in the fact they will be cared for by a team of highly skilled and experienced professionals.

Vital equipment for country hospitals

Western Australia has the largest country health service in Australia and one of the largest in the world.

The WA Country Health Service delivers comprehensive health services to half a million people, 10% of whom are Aboriginal Australians.

In 2010/11, Lotterywest funding has helped contribute to a range of equipment and services so that more people can be treated closer to home.

Improving services, equipment and facilities at WA's tertiary hospitals

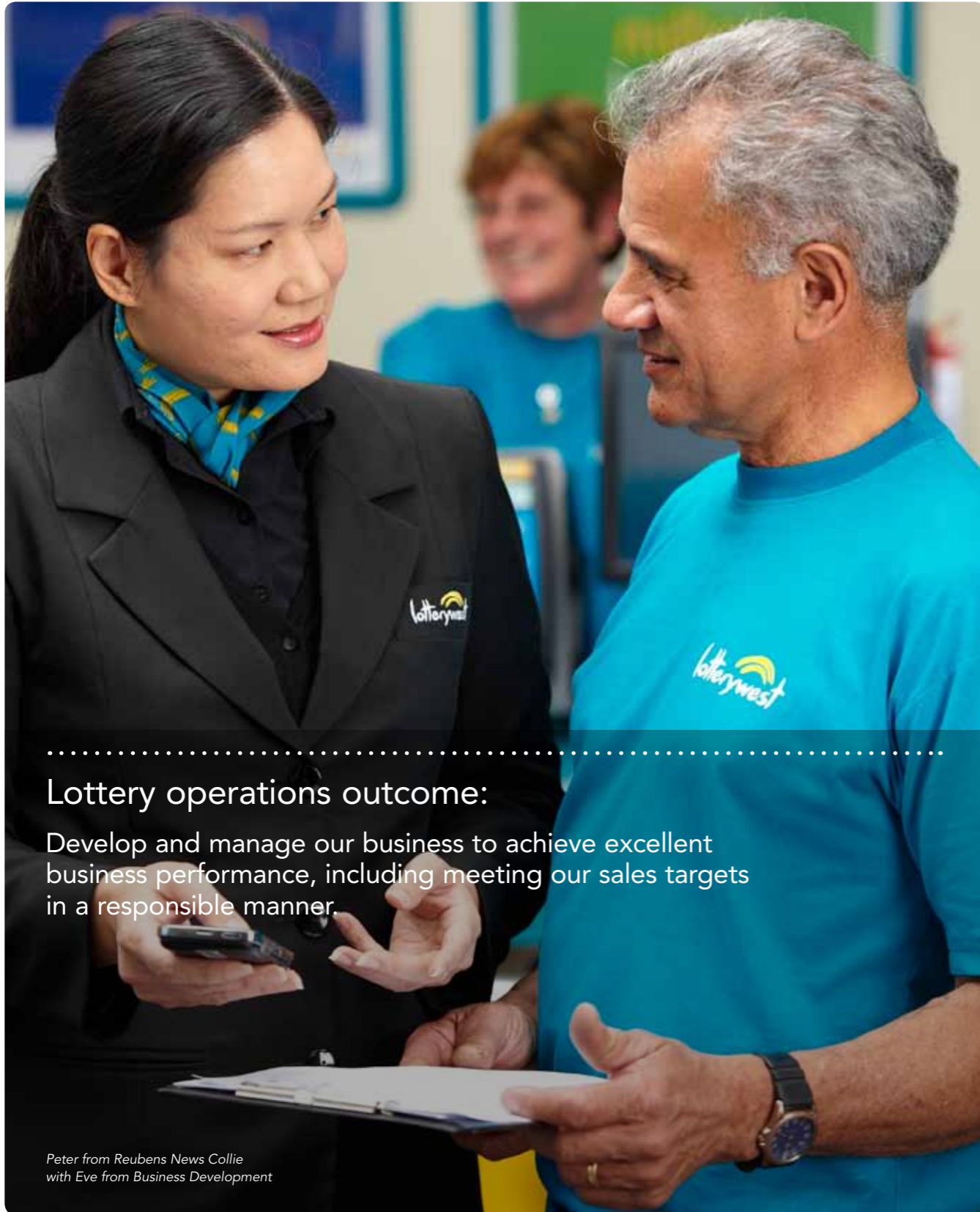
In 2010/11, Lotterywest funding helped contribute to extensive refurbishments and redevelopments to help our tertiary hospitals meet extra demand for services.

Over the past 12 months, our tertiary hospitals have continued to provide safe and quality care to thousands of Western Australians, while also managing a 9% increase in emergency department admissions.

As the population of Western Australia grows, so too will the demand for health services. Lotterywest is proud to be able to support the growth and development of our hospitals and health services across the State.



WA Health



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Lottery operations outcome:

Develop and manage our business to achieve excellent business performance, including meeting our sales targets in a responsible manner.

*Peter from Reubens News Collie
with Eve from Business Development*

Bringing dreams to life

Lottery operations

.....

Overview

Giving our players the chance to dream is what the lottery business is about. This year 76 Western Australians shared in division one prizes worth more than \$95 million.

However it has been a particularly challenging year for most retail businesses, including Lotterywest. This has been compounded by the very low level of jackpots in our two jackpotting games.

As a consequence, sales this year did not meet the target and were down 2.6% compared with last year. All Australian lotteries have reported essentially the same sales trends.

Players increase their participation in the games as jackpot levels increase. Without the attraction of the high jackpots, sales have been less than forecast. This is an example of the volatility of the lottery market and the difficulty of accurate forecasting of sales results.

By contrast, our major product, Saturday Lotto, a non jackpotting game, performed as expected. The regular base week offering, combined with seven planned superdraws a year, allows accurate forecasting. Sales increased 7.6% as a result of game changes during the year. Instant lotteries achieved similar levels to last year.

Internationally the lottery industry is facing similar challenges to that of Lotterywest, in achieving sales growth with the existing range of traditional lottery games. The general trend is to seek new ways of packaging and promoting traditional products, to find new partners to create ever bigger prize pools, to use technology to reach new players, and to move into different products areas such as sports betting.

With the exception of sports betting, which is not an option under the Lotteries Commission Act, Lotterywest is exploring all these options as a means of achieving business goals while adhering to responsible gaming principles.

The Australian lottery industry

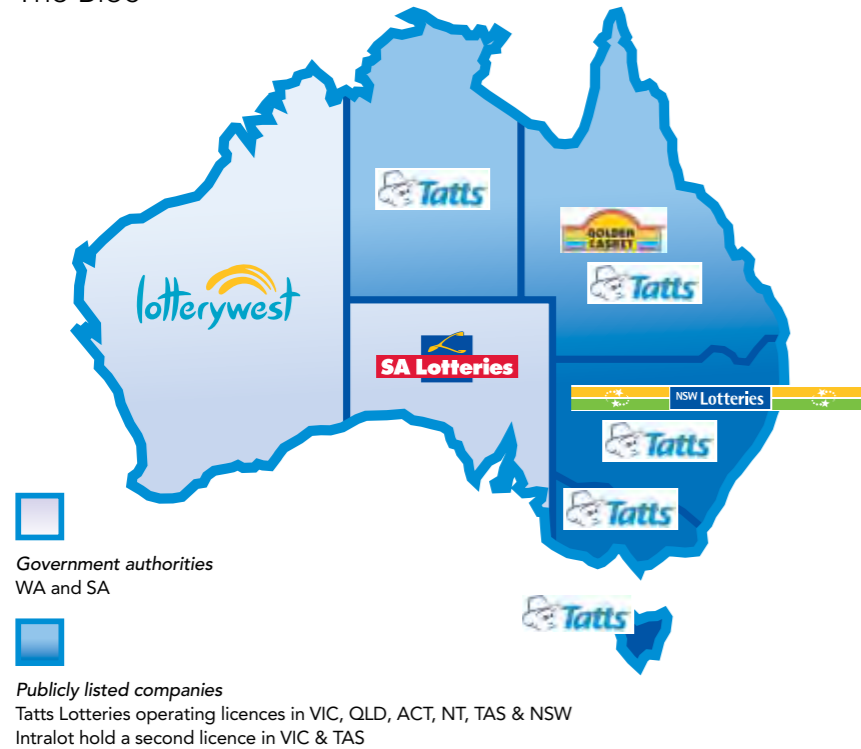
Lotterywest has been part of the Australian Lotto Bloc since March 1981, when the first agreement to form the Bloc was made. It then comprised the Golden Casket Lottery Corporation in Queensland, Tatts Lotto (then a private trust operating under licence by the Governments in Victoria, Tasmania, Northern Territory, and holding one of the two ACT lottery licences) and the South Australian Lotteries Commission.

Bloc members agreed to manage their individual Saturday Lotto games together in order to create a larger prize pool than any one State could raise as an individual lottery.



Shameen and Anh from City Arcade News Perth

The Bloc



Since then the Bloc has expanded to include New South Wales. It now collectively operates all five Australian games of lotto – Saturday Lotto, Monday/Wednesday Lotto (Golden Casket does not participate in this game, as it continues to operate a Queensland-only Wednesday lotto game), OZ Lotto, Powerball, as well as Soccer Pools and Super66.

Each game is managed under a separate legal agreement, with each Bloc member remaining an individual legal entity operating under the legislation, licensing agreements and regulations applying in its State.

The lottery industry has changed significantly since 1981. Tatts Lotteries, a division of Tatts Group, which became a publicly listed company in 2005, now holds the licences to operate in Queensland, NSW and one of the two

licences in Victoria and Tasmania. In the latter two States, Tatts Lotteries holds the licence to operate Bloc games only. The licence to operate instant lotteries and State based games is held by Intralot Australia which is not part of the Bloc. Tatts Lotteries also holds the licence to operate in the Northern Territory and ACT.

The South Australian Lotteries Commission remains a government-owned statutory authority, although in June 2011 the South Australian government as part of its 2011/12 budget announced its intention to offer the license for lease to a private operator. That is expected to come in late 2012.

Lotterywest is the only Australian lottery with the responsibility both to operate the lottery and distribute the funds in grants directly to community organisations. In the other States the proceeds are

returned to the Government. With almost 84% of Lotterywest’s revenue derived from the games operated collectively by the Bloc, membership of this group is clearly a critical element of our business.

Bloc members meet four times a year. Meetings cover development and review of the five-year rolling plan, together with routine management of products and monitoring of performance. Senior Lotterywest staff, the General Manager Business Operations and the General Manager Business Development contribute to the planning and exploration of product opportunities.

Representatives of Lotterywest and Tatts Lotteries are members of an international project group researching the viability of an international lottery game. All parties are working through the complexities of developing a game that would appeal to a broad international market.

Products and Sales
Final sales for the year were \$683 million against a budget of \$720 million.

- There were several contributing factors:**
- *OZ Lotto and Powerball did not achieve the jackpot levels projected for the year. Projections are based on a statistical model used by all Bloc members but, as with any theoretical model, accurate predictions are difficult. The variation in sales results which can be attributed to this factor alone is 20%.*
 - *Saturday Lotto achieved significant growth of 7.6% compared with 2009/10. Product marketing and public relations activity, based on telling the stories of past winners together with the benefits to the community of funds raised, meant that sales from Superdraw and Megadraw events were higher than forecasted throughout the year. Sales growth on base weeks was also achieved after the game changes in the second half of the year.*

- *The instant product range showed a variable performance. There was growth across the higher \$5 and \$10 Scratch’n’Win ticket price points, but an overall decline across the lower, \$1, \$2 and \$3 price points. These lower price points together contribute over half of Scratch’n’Win sales. This meant that the overall result for the instant ticket range was slightly below last year (0.7%) and 5.7% below budget.*
- *The other factor affecting sales was general retail trends across Australia. Our retailers report decline in other products and reduced customer numbers in some locations.*

We remain optimistic that the sales budget for the forthcoming year can be achieved. Strategies are in place to improve the performance of the entire lotto and instant lottery ticket range. In the case of instant products, new tickets will be launched, including the introduction of a \$10 Word Play ticket plus the reintroduction of a premium \$20 ticket. Other strategies to improve sales will be in marketing and communication as well as supporting retailers in improving their performance.

Activities
Several major changes in our products, a new distribution channel for the sale of Lotto products and in two of the key contracts supporting our business operations, marked a pivotal year in Business Operations.

January 2011 saw a major change to our flagship game, Saturday Lotto. There were price increases in the two jackpotting games, OZ Lotto and Powerball, the start of three new contractual relationships for our marketing communications and renewal of a fourth contract with an existing provider. We engaged a new provider for instant ticket design and printing services.

The change to Saturday Lotto involved a 5 cent price increase, together with the addition of a 6th prize division which effectively doubled the number of players



enjoying a win of some kind each week. Overall our players’ response to these changes has been very positive. Sales since the change have increased 8%.

The change in our marketing communications contract splits it for the first time into four separate modules for advertising and creative work, media placement, branding and design and digital marketing.

Following careful evaluation of the strong responses to the invitation to bid, overseen by the Department of Treasury and Finance together with an external probity auditor, the contracts were awarded to four separate companies.

We are working with all four to review marketing and communication strategies for the new financial year. Some marketing material has already been developed with considerable success

for the instant product range and for Saturday Lotto, including for the launch phase of changes in January.

The first tickets from our new instant ticket supplier went on sale in June 2011. A new extended play ticket range was launched in July 2011 under the brand ‘Word Play’.

Another major activity in June 2011 was preparation for the price rises to OZ Lotto and Powerball agreed by the Bloc.

Playing online
Lotterywest’s ‘Play Online’ service, part of the new ‘Lotterywest Online’ website, was launched on 7 February 2011.

This means that potential funding for WA community groups will no longer be lost due to people in WA buying lottery products on the Internet from providers in other States.

Highlights this year

2010

July

Began transition to new instant ticket printing supplier, including gaming system testing and planning for first range of new tickets.

Bloc planning outcomes included agreement on Saturday Lotto game changes and price increases for OZ Lotto and Powerball.

August

Bulls Eye Bonanza \$3 instant ticket campaign. Our most successful Bingo ticket of the last five years.

September

Appointment of new communications contractors.

November

Transition to new contractors complete with commencement of new contracts.

December

The New Year's Eve Saturday Lotto Megadraw was our most successful Megadraw result on record.



2011

January

Saturday Lotto game changes (price rise and new 6th Division) came into effect.

New Scrabble instant ticket launch, reusing the popular Scrabble advertising campaign from 2006. Sales exceeded expectations, selling through three weeks earlier than budgeted.

February

Lotterywest Play Online introduced.

March

Briefings for new principal marketing campaigns for Saturday Lotto and Scratch'n'Win to new communications agencies, to begin in the new financial year.

Scratch'n'Win future planning with the new supplier, including new tickets, prize structures and payouts level.

April

Cash Blitz \$10 instant ticket campaign. Our most successful \$10 ticket for the year.

May

First instant tickets from new supplier on sale.

June

OZ Lotto and Powerball price increases came into effect.

With the growth of online sales channels for all kinds of goods and services, customers expect an internet option as well as traditional retail outlets. Play Online gives WA players the opportunity to buy Lotterywest lottery products (not Scratch'n'Win) via a user-friendly, secure internet site, and to have prizes paid automatically into their 'e-wallet'.

We have received positive comments on the socially responsible features of this service, such as identity checks to verify the player's age, the requirement to open an account, a weekly spending limit or self imposed spending limit and a self exclusion option.

Sales from this channel represented 0.39% of total sales for the 2010/11 financial year, a level consistent with expectations.

Scratch'n'Win

Forty two new Scratch'n'Win games were on sale this year.

Of the new games launched, the most successful were \$3 Bulls Eye Bonanza, \$5 Regal Riches and \$5 Scrabble, all selling through faster than expected.

Less successful games included \$2 Card Shark, \$5 Bingo Magic and \$5 Lucky Spin, all showing protracted sell-through rates.

A review of the poor performance of these tickets reinforced the points that the success of instant tickets depends on the combined elements of an eye-catching design and the style of game. Other factors are prize structure, i.e. the top prize as well as the frequency of the winning experience determined by the number of winning tickets in each game; ticket price; and overall distribution and marketing strategy, particularly at point of purchase.

Central to the management of the Scratch'n'Win portfolio was the



transition to the new instant ticket printing contractor.

On completion of the procurement process in June 2010 the transition phase began, including testing of the gaming system to accommodate the new supplier's product specifications. Comprehensive testing was completed in December 2010.

In March 2011, we began planning for the instant ticket portfolio. This included reviews of product range, prize structures, new product opportunities, and display and distribution strategies.

The first tickets from the new supplier were launched in May 2011.

The planning group aimed to develop these priority areas:

- Introduction of new product extensions and establishing the optimum product mix over a five-year period
- Composition of product range, optimal price points, prize structures and payouts

- Optimising distribution channel strategies, including point of sale opportunities

Several of these initiatives are due for introduction or development over a five-year period. This will be taken into account when forecasting annualised targets.

Lotto games

In 2010 the Lotto Bloc agreed on an updated five-year Plan, intended to review performance, set growth targets, establish the positioning of games and make changes and/or additions to the product range, according to monitoring of the market.

Growth has been identified in three categories:

1. From existing games through either enhancement or price increases
2. Structural change of games
3. New products and/or Bloc expansion

When deciding on possible changes, considerations include the pace



Melissa from The Downs Chemart Pharmacy and News

of change the market can sustain, technology limitations and the risk of changes to highly popular products. The first of the Bloc's agreed game changes was to Saturday Lotto, effective from Draw 3081 on 29 January 2011.

The changes were designed to increase participation and achieve growth through game enhancements and price increases as follows:

- An increase in the number of prize divisions from five to six
- A 5 cent subscription increase from 55 to 60 cents plus retailer commission
- A change to the Division One prize offer from 'guaranteed' to 'estimated'

The additional prize division doubles the odds of players winning a prize. The price rise supports prize levels across the six divisions. A change to the base week Division One prize pool offer from 'guaranteed' to 'estimated' helps manage

the Prize Reserve Fund and supports future Superdraw and Megadraw offers. Results since the changes in January show promising trends for Saturday Lotto participation and growth, with some of the highest base week and Superdraw sales on record.

The second of the Bloc-agreed game changes was concurrent price rises for OZ Lotto and Powerball in June 2011. The price of OZ Lotto increased by 10 cents, from \$1 per game to \$1.10 plus retailer commission. This is the first price rise for this game since it was launched in 1994. The price of Powerball increased by 10 cents, from 65 per game to 75 cents plus retailer commission.

For OZ Lotto, the change is part of a long-term strategy which began in October 2005 when the game was changed from a 6/45 matrix to a 7/45 matrix with the addition of two prize

divisions. The changes were to maintain OZ Lotto's position as a premium game with high jackpots, multiple winning opportunities and competitive prize offerings. The price increase this year is to maintain the value of the prizes.

For Powerball the change is part of a longer term strategy to maintain a guaranteed Division One prize pool for base week draws and competitive jackpot offers.

The full effect of these increases will not be apparent until well into the new financial year and will be carefully monitored. These price increases were a careful decision by the Bloc based on a collective judgement of how to grow these games and maintain their attraction.

Marketing

Our marketing objective is to promote our games, emphasise the community benefit from the revenue and ensure responsible purchase of our products.

The marketing objective for the 2011/12 financial year is to refresh the corporate campaign, together with branding of Lotto games.

These include:

- Launch of mid-year July 30 Saturday Lotto Superdraw event. There is a \$30 million Division One guaranteed prize pool.
- Development of a campaign to promote the new Word Play range and other tickets in the 'long play' instant win category.
- Development of primary campaign strategies to promote Saturday Lotto and Scratch'n'Win, to be followed by similar reviews of OZ Lotto and Powerball.
- Development of a communications strategy for our Play Online distribution channel.
- Maximising opportunities for retail product communications through retail and online distribution channels.

Gaming system development

Lotterywest delivers its products with a specialised central gaming system with terminals at retailers which deliver the tickets and check both Lotto tickets and instant tickets for winners.

The current system and terminals, installed in 2008, are based on a technology platform which allows for easy and inexpensive game improvements and services to our retailers which has added considerable value to the business.

In 2010/11 improvements in the gaming system brought better services for retailers and players. A particular improvement was to the 'Syndicates through the terminal' facility. Software was updated to include advance wagers, allowing players to buy a share in a syndicate up to 10 weeks in advance of a draw date, as retailers and players had been requesting for some time.

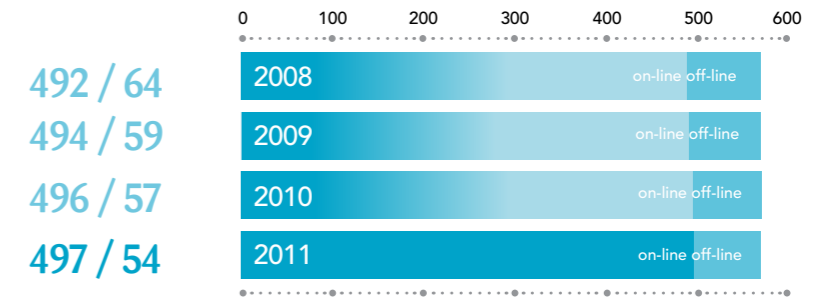
Both players and retailers have embraced Lotterywest syndicates, evident in the constant growth in sales from this service. Many retailers have offered syndicates via a manual process which carries considerable risk of human error.

We were pleased that by the end of the financial year participation by retailers in using the syndicates through the terminal service had steadily increased to 71.3%.

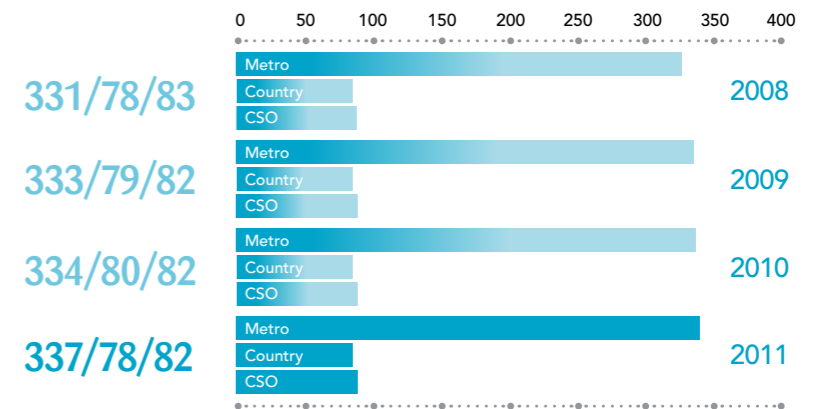
Sales of Lotterywest Syndicates amounted to \$20.9 million, representing 3.64% of total sales during 2010/11.

Development of the gaming system for changes to Saturday Lotto in early 2011 was another major improvement, together with changes for price rises to OZ Lotto and Powerball.

Composition of Network



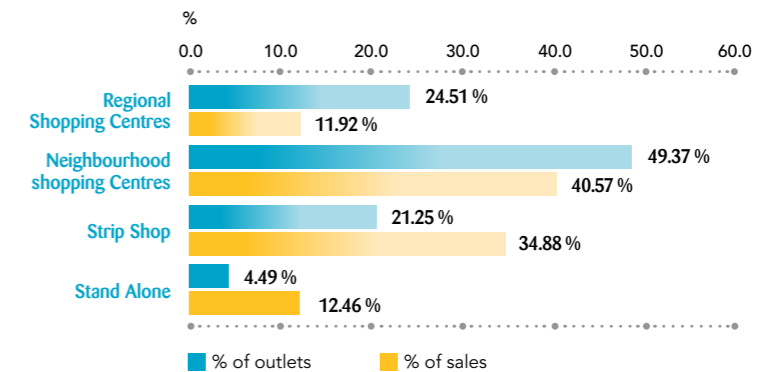
Distribution of on-line outlets (inc Lotterywest)



CSO – Community service outlet

Percentage comparison of outlets by business environment 2011

40.6% of our outlets are in neighbourhood shopping centres, which our data shows are increasingly preferred by our customers and generate 49.4% of our sales. This can be seen in the chart below:





Our winners



The total value of Division One prizes distributed in Western Australia in 2010/11 was

\$95,237,590.22

This was shared between 76 WA winners of Division One prizes.

Game	No. of Winners	Total won
Saturday Lotto	59	\$61,979,267.13
OZ Lotto	1	\$15,000,000.00
Monday Lotto	9	\$14,620,246.06
Wednesday Lotto	5	\$3,333,333.34
Powerball	0	\$NIL
Super 66	1	\$246,100.75
Soccer pools	1	\$58,642.94

Lowest and highest Division One prize figures for 2010/11

Game	Highest amount won	Lowest amount won
Saturday Lotto	\$2,100,000.00	\$320,231.14
OZ Lotto	15,000,000.00	\$15,000,000.00
Monday Lotto	3,000,000.00	\$1,000,000.00
Wednesday Lotto	1,000,000.00	\$333,333.34
Powerball	NIL	NIL
Super 66	\$246,100.75	\$246,100.75
Soccer pools	\$58,642.94	\$58,642.94



Our winners



The total value of the top-tier Scratch'n'Win prizes distributed in Western Australia in 2010/11 was

\$4,005,000.00

won by 40 players.

Game	No. of Winners	Total won
\$1 category	4	\$20,000.00
\$2 category	6	\$60,000.00
\$3 category	11	\$825,000.00
\$5 category	14	\$1,400,000.00
\$10 category	4	\$1,200,000.00
\$20 category	1	\$500,000.00

Left: John Halligan and Helen Murgatroyd
 Right: Robyn McDermott
 All from the Retailers' Consultative Panel



Link Magazines

Other gaming enhancements during 2010/11 included:

- A terminal barcode reader upgrade to improve ticket validation for retailers
- The Scratch'n'Win validation system to enable the use of instant tickets from different ticket providers

In consultation with the Retailers' Consultative Panel and other members of the retail network we will continue to ensure that the gaming system meets the operating needs of retailers and player expectations.

Gaming initiatives being developed for 2011/12 include:

- Further enhancements to Syndicates through the terminal, giving easier syndicate processing and reporting functions for retailers.
- 'Network' syndicates whereby syndicates are set up at Lotterywest head office and available for sale across the retail network.

Retail Distribution

Our retail network, as the public face of Lotterywest and selling point for products, is a critical part of our business. We work closely with retailers from the time in which they formally enter into a licence agreement with us until they leave our network. We offer a range of services to help them and us improve business.

This year monitoring shows further evidence of changes in retailing conditions and consumer trends that have affected many retailers and influenced both their day to day operations and longer term business plans.

In response we have changed both the level and kind of support we give. We offer help in managing changes to their business structure or location, as well as in consulting with stakeholders such as newsagency or retail associations, shopping centre leasing managers and consultants.

Changes in leasing conditions frequently include rent increases. We link retailers with independent consultants who give advice and advocacy, and draw on our association with leasing managers and shopping centre developers to offer support to negotiate better conditions.

In the past year 30 outlets have renovated their shops, including the Lotterywest zone, relocated or established new outlets requiring the installation of a Lotterywest shopfit. This is a higher annual rate than usual. We have responded by expanding our Retail Standards team responsibilities to help give the most cost effective solutions to managing retail presentation standards.

Early in 2011, we opened a new Distribution Centre at our Osborne Park head office. This has improved the essential operation of sending point-of-sale material, instant lottery tickets and other supplies for retailers.

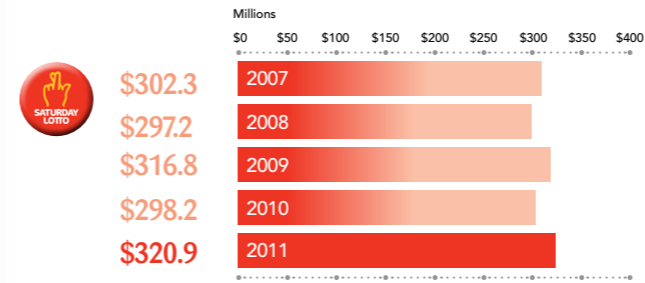
Last year we began a full review of the licence agreement which is the formal contract between Lotterywest and retailers. The aim is to simplify the current very long and complex document. This review also covers our Retail Manual which supplements the licence agreement, giving information on products and technology.

The review is expected to be complete by December 2011.

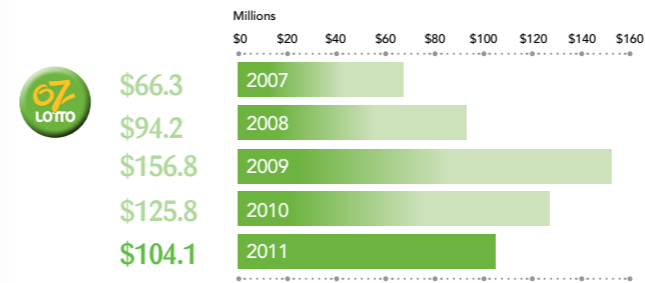
Changes in retail

This year 42 retailers have sold their business, compared with 66 last year. Three have relocated their business to improved locations. In some instances the relocation has included a change of ownership.

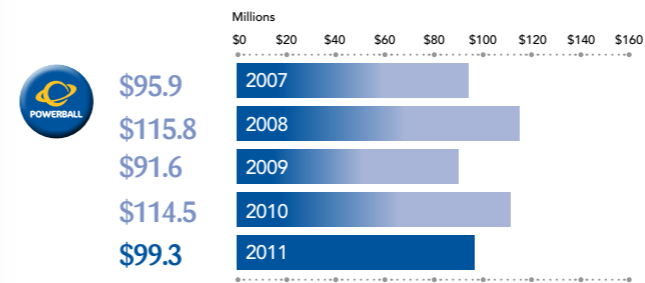
There has been a 36% decrease in sales of businesses which appears to be largely attributable to changed operating conditions in the retail environment. Most business sales have been in the metropolitan area where 36 outlets have



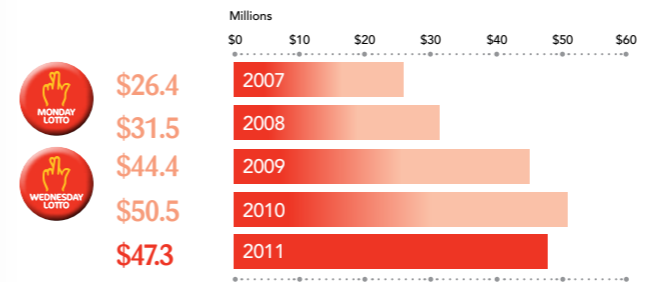
Sales: \$320.9 million (\$298.2 million in 2009/10). Represents 47% of total sales in WA. Achieved sales of \$25.0 million for the \$31 million Megadraw. Superdraws & Megadraw (7 in total) generated 30.1% of the annual sales.



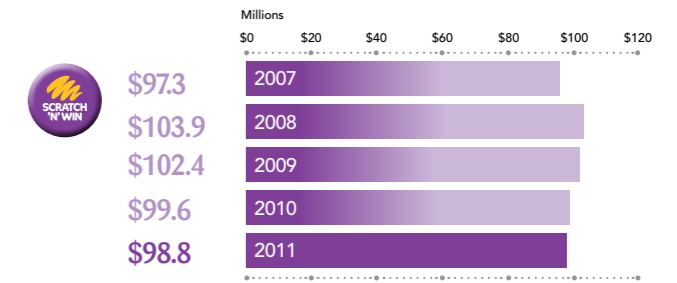
Sales: \$104.1 million (\$125.8 million in 2009/10). Represents 15% of total sales in WA.



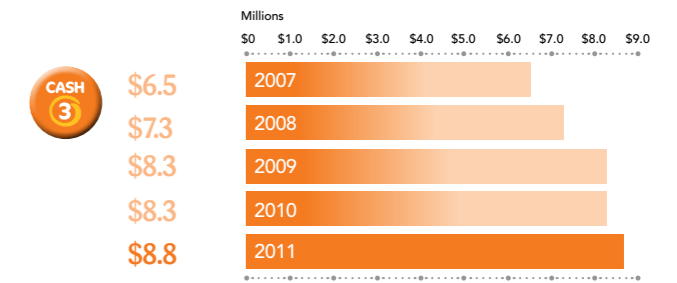
Sales: \$99.3 million (\$114.5 million in 2009/10). Represents 15% of total sales in WA.



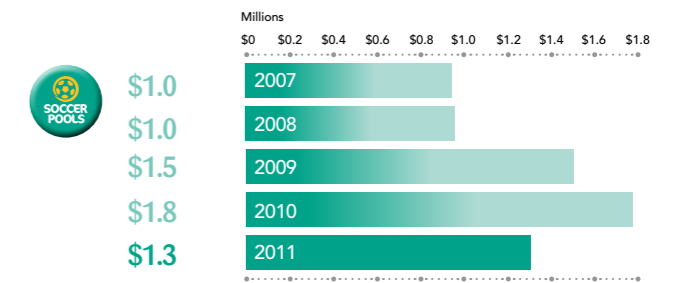
Sales: \$47.3 million (\$50.5 million in 2009/10). Represents 7% of total sales in WA.



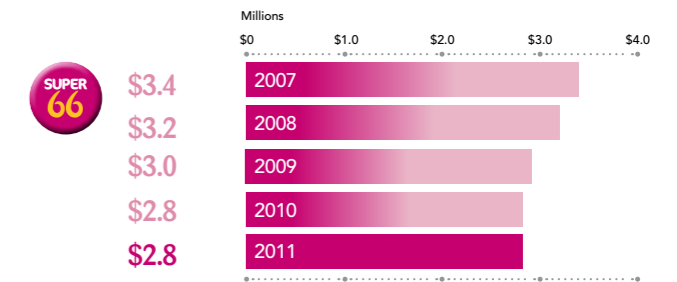
Sales: \$98.8 million (\$99.6 million in 2009/10). Represents 15% of total sales in WA.



Sales: \$8.8 million (\$8.3 million in 2009/10).



Sales: \$1.3 million (\$1.8 million in 2009/10).



Sales: \$2.8 million (same in 2009/10).



L-R: Elise, Greg and Marianne from Business Operations with retailers at Lotterywest's Training Centre, Heytesbury House

changed ownership. 28 of those were newsagencies.

Retail distribution – appointment of outlets

Where new outlets will be appointed or existing outlets relocated is regularly monitored. We remain confident that the distribution policy established in 2007 remains relevant to the current environment and to Lotterywest's business model.

The primary objective is optimal revenue growth for the ultimate benefit of the community. Population growth and changes in retail and residential development are taken into account, together with changes in customer preference and shopping habits. Growth potential of a proposed outlet is analysed, using objective information based on knowledge of our market. Lotterywest has a Community Service

Outlet policy under which licences are given to businesses in isolated rural towns essentially as a service to those communities. There are 82 of these outlets across the State.

In the past year our analysis of growth opportunities meant only three new outlets were established. While more locations were identified as having potential, some of these appointments have been deferred due to delays in shopping centre and retail developments. These locations may be included in the 2011/12 Distribution Plan.

The Board approves the Retail Distribution Plan which is published each December. All new licence opportunities are publicly advertised. While every effort is made to identify all potential licence opportunities for the forthcoming year, the opening of new shopping centres may mean that the Plan needs

some amendments during the year. Unsolicited formal applications for Lotterywest licences are not accepted, although interested parties may contact Lotterywest for information about the plan and our retail policy.

Our licensing policy has to be relevant to changes in urban development. This has meant that over the past few years we have refined our methodology for planning outlets in response to these changes and to consumer and retailing trends.

For example, we know there is a strong trend of developers providing community and retail facilities as part of, or adjacent to, new residential developments. These are often referred to as 'village centres', away from large shopping centres.

In response to the number of these village centres due for completion in 2011/12, we have refined our analysis of their potential. It is important to make informed decisions about their viability in locations of high density development.

Training and incentives

Our Retailer Learning and Development team offers quality programs for all retailers and their staff. The programs include skills development, leadership and management, as well as customer service and sales. An intensive five-day orientation program is offered to all incoming retailers.

In partnership with the Australian Retailers' Association we continue to give retailers the opportunity to complete the Diploma of Retail Management. Seventy have enrolled. Graduates report that the training helped them face the challenges of running a small business.

In September 2011, Lotterywest supported over 40 retailers to attend the Australian Newsagents' Federation (ANF) national conference, held in WA for the first time in 16 years. Retailers could network with interstate peers, hear about

Retail distribution activity from 2010 to 2011:

Activity Type	2010/11	2009/10
New Lotterywest Outlets	3	2
Change of Ownership	42	66
Relocations	3	13
Voluntary Outlet Terminations	5	2

Training

Course	Events	Participants
Lottery terminal training for retail staff	30	293
Syndicates through the terminal training	3	11
Retail Management Training (five days)	10	139
Diploma of Retail Management	14	250
Certificate IV in Retail Management	7	72
Special Training Events *	23	283

* Special training events include sales training, assessments for experienced staff and customer service training.

industry developments and participate in workshops.

Our annual 'Business Adventure' is another valuable learning and development opportunity for retailers. This one day conference-style event includes professional development sessions and opportunities to meet industry specialists and socialise with peers. Our fourth Business Adventure will be in Fremantle in August 2011.

Over the past year, two incentive programs focusing on Saturday Lotto were offered to retailers. The improvement in performance was striking. The first ran for 13 weeks and saw Saturday Lotto sales increase by 10.8% over the previous year and 387 retailers earn rewards. The second ran for seven weeks with sales up 14.5% and rewards paid to 386 retailers. More such programs are scheduled.

We have finalised a new development program for retailers called 'Lotteryworks'. This program aims to

strengthen the lottery component of their businesses and reward retailers for improvements. 'Lotteryworks' will be introduced as part of the Business Adventure event in August.

Our retailers' role in enabling us to support our community is recognised by invitations to attend events arranged by organisations that benefit from Lotterywest Grants. This allows retailers to see first-hand the difference a grant can make. We have enjoyed seeing retailers' responses to these experiences, with many becoming personally engaged in community organisations located near their business. Many retailers have made long-term commitments such as arranging innovative fundraising events.

Communicating with retailers

Retailer Relationship Officers are the primary contact for each retailer, visiting on a regular call cycle to respond to needs and discuss business development and Lotterywest initiatives. Another key communication method is

Link, the Lotterywest Retailer Magazine. Published every two months, it offers information and feature articles. Our Retail Link website gives password-protected access to information, reports and tools.

We seek the views of the Retailers' Consultative Panel, an advisory group of retailers appointed each year to give feedback and to work with the marketing and retail support team on matters such as marketing initiatives, product development and gaming changes. The current panel consists of eight retailers representing various sectors of the network. In 2011 we welcomed six new members who, along with two continuing members, help us support the network.

More informal opportunities for communication and relationship building come as part of social events to which we invite retailers. These include attendance at arts and cultural events such as ballet, opera performances and symphony concerts, lunches and dinners. Annual events include a golf day and the popular evening at Adventure World for all retailers, their families and staff.

Our customer services

Our objective is to provide customer services that enhance our customers' experience when interacting with us. We have continued to develop processes and services that support both players and retailers to complement the extensive changes made to our games, gaming system and our new website.

While Lotterywest retailers will continue to be the public face for providing lottery products and services to our players, our new website offers customers an alternative experience in accessing our products and grants.

During the year we received 19,615 calls from our players (an average of 82 a day during office hours). These were on a range of issues relating to prize claim information, how to play the games,



Albany Boardriders

player registration service, how to register for the Play Online service and lost and stolen tickets.

We also received 23,266 calls from retailers on issues including verification for prize payouts, support for cancelling unwanted tickets, and lottery terminal and communication service-related matters.

Many of these calls were resolved by our Helpdesk team as the first point of contact for retailers. For more complex lottery terminal and communications network issues, we work with our Service Desk and Field Technicians as well as external service providers to resolve issues or draw on backup services within 24 hours.

Player registration

The [player registration](#) service is a long standing one offered to players whereby all tickets purchased can be registered to their Player's Card. This helps ensure that all prizes are paid even if the player loses or forgets to check their ticket.

We registered 19,726 new Lotterywest Player's Card memberships in 2010/11. 3,553 lost and stolen cards were replaced, resulting in 1,380 registered tickets being monitored for players through our gaming system.

Of the 1,380 tickets we were asked by players to monitor, 340 tickets won prizes which were paid directly to players as a result of this service.

Our service for checking lost and stolen tickets extends, as much as possible, to unregistered tickets. If a player can

provide sufficient details of place and time of purchase, as well as the type of ticket, we can track the entry through our gaming system. This year we were asked to monitor 83 unregistered tickets prior to the draws. Players who have used this service are encouraged to consider registering for a Player's Card, which offers a more streamlined ticket monitoring service due to the unique registration number recorded on the registered player's tickets. It also minimises the risk of payment to the bearer of a stolen ticket.

Extended trading hours

Over the past 18 months we have extended our Helpdesk and field services support for players and retailers in response to the introduction of extended retail trading hours across Perth's tourist precincts. This service will continue in order to meet the evolving retail trading patterns across the State.

Sales during these extended hours remain relatively low, with only a very small number of lottery retailers within these precincts having extended their trading hours.



Albany Boardriders

A Lotterywest Grant of \$5,000 to a group of boardriders means more people can safely share the thrill of surfing.

They bought a trailer to carry boards, first aid and rescue equipment.

With the peace of mind that the safety gear brings, the club runs inclusive surfing days for everyone in the community, including people with disabilities.

Pina from Corporate Communications



Our players and our winners

During the year 76 Western Australians shared in Division One prizes worth more than:

\$95 million



Saturday Lotto proved the most popular game in which State players struck luckiest, with 59 people winning a combined total of \$62 million.



14 Division One winners shared a combined total of \$18 million



1 Division One winner claimed \$15 million



1 Division One winner scooped \$246,100



1 Division One winner claimed \$58,642

Our winners' stories

Some of our most memorable winners' stories from these games over the year were:

A Perth southern suburbs couple celebrated their \$2.1 million Lotto win in May 2011 with two meat pies and a bottle of champagne. The couple put their Division One winning Slikpik 12 ticket down to being at the right place at the right time. Helping family and splurging on a new dress were on the spending list for the multi-million dollar winners.

A Perth grandmother celebrated an extra special Easter in 2011 after claiming her \$1 million Division One prize from a Saturday Lotto draw. After 40 years of working, the woman planned to retire and live a comfortable lifestyle. "It's perfect timing and follows some hard times," she said. The woman's winning numbers were based on her grandchildren's birthdays.

Life changed in March 2011 for a Mount Hawthorn grandfather in his 60s after winning a \$15 million Division One OZ Lotto prize. The man was the only Division One winner from across the nation and said the win would enable him to retire and enjoy the rest of his life. He said making a donation to local disaster relief appeals and Princess Margaret Hospital were a high priority.

A spur of the moment decision to buy a Monday Lotto ticket while walking his dog, turned a man in his 20s from Floreat into one of Western Australia's 2011 multi-millionaires. The young university student purchased his \$2.6 million Division One ticket, only 30 minutes before the draw closed. "I'll be able to buy my first house and help my parents out. I would also like to

make a donation to the Leukaemia Foundation," the man said.

Finishing their dream house to enjoy their retirement years in was high up on the list for a Kambalda couple in their 50s who won almost \$700,000 in a January 2011 Saturday Lotto draw. The couple, who were also planning on providing financial help to their five children, were looking forward to living life a little more comfortably after scooping their big prize.

The 2010 year ended with a bang for two WA Lotto players who each won just over \$1.6 million in the New Year's Eve \$31 million Megadraw. It was the ultimate Christmas present for one winner, a Perth grandfather in his 70s, who received the Lotto ticket as a Christmas gift from his daughter. The man said plans for his million dollar surprise included sharing it with his children and grandchildren, and travelling the world to see family.

A Mandurah couple who claimed their \$950,000 Division One Lotto win in November 2010 said their dream to finally retire had become a reality. The couple in their 70s, who were still working, said the win had come after some tough financial times. The regular Lotto players had been playing the same numbers for 20 years when their Lotto luck finally struck.

A 20 year tradition of contributing \$2 a week to a syndicate, led a local family to win a Division One prize of \$600,000 in October 2010. The 58 syndicate members, aged up to 89 years old,

described it as the best way to ever win Lotto. Plans for the syndicate members included home renovations, holidays, mortgage repayments and investments for the future. One member also planned on walking the Kokoda Trail in memory of his father who was in World War II.

Life for a Maddington man in his 20s got a whole lot more exciting in September 2010 when he became more than \$1.7 million richer after winning Division One. Buying his first home and one for his mum were just some of his plans for the prize money. He said the win would help to set him up for the future.

Taking their first honeymoon after 40 years of marriage together was on the list for a Perth couple who claimed their \$800,000 Division One prize in August 2010. The couple said they had never been able to set off on a honeymoon and were looking forward to having the time of their lives. They also planned to share the money with their two children to help pay off their mortgages.

A northern suburbs couple kicked off the 2010 financial year by taking their children and grandchildren on a Paris trip following a \$666,666 Division One prize in July 2010. The couple said visiting one of the most romantic cities in the world had always been a dream of theirs and one they could now share with their closest family members.

Our people, our future

Organisational development and people

This year we established a team in our Strategy and Planning division to take a more strategic approach to development of our staff and to build our capacity to deal with business challenges. A number of initiatives have been launched.

These include a performance review system, updating and simplifying all job descriptions, a comprehensive communications training program for staff and a leadership and development program for all senior managers.

Profile of our people

There has been little change in our workforce this year. We began the financial year with 205 staff members (195 full-time employees), decreasing to 198 (188 full-time equivalent employees) at the end of the year.

Lotterywest has a very loyal group of employees, with a low turnover rate of permanent staff. In 2011 staff turnover was 5.5%. In 2010, the level was 2.4%.

We have three staff who have served Lotterywest for over 30 years, 28 for more than 20 years, 46 for more than 10, and 128 people who joined us in the past 10 years. This means that more than 37 per cent have served for more than 10 years. Long-serving employees receive certificates, to recognise their service to Lotterywest.

One of our longest serving employees, Kevin Walters, retired last year after a remarkable 40 years of service.

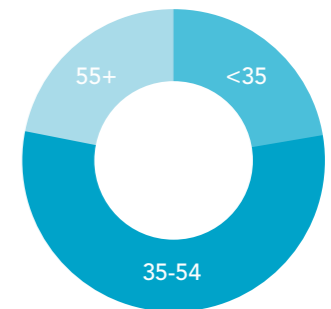
The combined length of service of all employees is 1936 years, an average of 9.54 per person. This record gives a depth of organisational experience and industry knowledge. We have highly qualified staff, many with tertiary qualifications in a range of specialist areas. Some have postgraduate qualifications, including two with PhDs.

Lotterywest length of service profile 2011

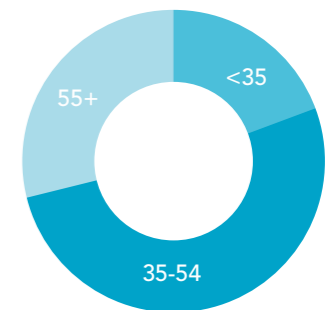
The charts to the right show the age profile of Lotterywest at 30 June 2011. The average age of employees is 48. The graph shows that 29% of the workforce are 55 or older and will therefore be eligible for retirement over the next five years. However, we expect that a number of these will remain in employment at Lotterywest.

There has been a 7% increase in employees aged over 55 over the last five years. Flexible work arrangements allow a phased approach to retirement, allowing the retention of some of our more experienced staff members.

In recognition of the wide demographic profile of the staff, including at the other



Lotterywest Age Profile 2005



Lotterywest Age Profile 2011



Pamela and Adam from our Grants and Community Development team

Organisational development and people outcome:

Ensure we have talented leadership and that our staff are equipped with the skills, knowledge and motivation to lead and manage our business to achieve business objectives

end of the spectrum the need to retain younger staff, we have established three staff groups. Sessions are held throughout the year, for each group, on a range of topics, frequently with a guest speaker. The topics include career planning, managing family/work responsibilities (both child and elder care), and financial planning. The sessions, tailored for the particular age group, have the additional benefit of creating informal social networks between staff working in different areas.

Performance feedback

The annual performance review known as 'Management of Accountability and Performance' (MAP) has been held for the last time.

A new process, 'Five Conversations', was launched in May. This process aligns individual work activities with team business plans and Lotterywest strategic goals in a much clearer way. Everyone's role is now linked to our overall business activities, and individual performances are reviewed in structured conversations throughout the year.

The new process also introduces annual capability assessments using the Public Sector Commission's Capability Framework as a standard at all levels. This ensures that Lotterywest staff maintain capability equivalent to other State Government organisations and enables detailed conversations with line managers about capability and development needs. Information from assessments will go into our new training management system and inform decisions about leadership and development strategies.

A key element of Five Conversations will be simpler role statements for all positions. The one-page document gives context and responsibilities, and lists generic capabilities for the specific classification level of the role.

Alignment with RITE values				
Initiative	Rewarding	Inspiring	Trusted	Engaging
New performance feedback process	•	•	•	•
Leadership Development	•	•	•	•
RITE Conversations Training		•	•	•
RITE Awards	•	•	•	•
Employee Opinion Survey/Focus Groups	•	•	•	•
Wellness Program	•	•		•
Employee Assistance Program			•	•
OSH Committee		•	•	•
Social Committee	•			•
Lotterywest Community Voice	•	•	•	•

We expect the new template to give greater flexibility in deploying employees for development opportunities or to areas where their skills are required. We are no longer constrained by job-specific capabilities and criteria.

Wellness Program

Recognising that a healthy and positive workforce is a more effective workforce, we introduced a Wellness Program that covers not only physical wellbeing but work-life balance.

The six elements are Career, Physical, Social, Financial, Mental/Emotional and Community.

An external provider is contracted to manage some elements of this program. This year a new provider was appointed, allowing us to repackage our Wellness Program and launch new programs.

The Wellness Program includes health checks for all staff on site and a



discounted gym membership, together with programs to encourage healthy eating, weight control and regular exercise. We are planning a repeat of the 'Quit Smoking' campaign as well as an alcohol safety awareness program. Other outcomes include participation in public fundraising events such as the City to Surf fun run and the Pink Triathlon.

Next year will see a greater focus on activities designed to appeal to our less physically active employees, including improved access to health and nutrition information and team challenges. Together with events hosted by our social committee, we aim to create a fun and healthy workplace.

Employee survey

Last year a formal employee opinion survey invited staff feedback and measured the level of employee engagement. Introduced in February 2010, it was repeated in February this year.

This year we achieved an employee engagement score of 42%, down 3% from last year.

Following this survey and discussions with focus groups, we have identified issues that will become priority items for implementation by the Executive Team, with support from a group of 'employee champions'.

We appreciate the contribution and honesty of staff as we continue to strive towards being 'a workplace of choice'. The survey showed that intensive organisational change during the last few years, including new information systems, has been challenging for a number of our staff. It is also clear that better communication across the organisation at all levels is needed, which reinforces the importance of our RITE and Five Conversations programs.

Subsequent discussions with staff on the survey results suggested a far higher level



Sailesh, Andrea and Brodie from Strategy and Planning and Grants and Community Development

of engagement than the survey results would suggest.

Lotterywest Community Voice

The charter of the Lotterywest Community Voice (LCV), our staff consultative committee, has been reviewed. Improvements included increased representation from across all business units. This group is becoming more important as the vehicle for two-way communication between staff and senior managers.

This group is also responsible for managing the RITE Awards – quarterly peer-nominated awards for staff demonstrating exceptional commitment to our values. Five staff received staff RITE Awards in 2010/11.

Employee Assistance Program

Our Employee Assistance Program (EAP) is a service for staff with work-related or

personal difficulties. 9% of Lotterywest staff accessed the EAP, which is down slightly from last year (10%).

Occupational Health and Safety matters are covered in the Governance and Compliance section.

Connecting with our stakeholders

Reputation and stakeholder relations

Overview

Lotterywest seeks to build relationships with all those with whom we come in contact as part of our business. Three particular groups with whom we seek to build relationships are retailers, grant beneficiaries and our staff. We also seek to connect the members of these groups with each other.

These points of connection include special events we host to showcase the many organisations we support through our direct and statutory grants.

These have included events to see the dress rehearsal performances of some of Western Australia's leading cultural organisations. Guests enjoy introductions to those intimately connected with performances and are given glimpses behind the scenes. Other events celebrate the opening of a facility we have supported or presentations of cheques to groups about to embark on a project.

Lotterywest seeks to build relationships with other stakeholders such as the Western Australian Chamber of Commerce and Industry, Australian Newsagents' Federation, Small Business Development Corporation and a range of organisations and Government agencies whose work relates to our services.

Responsible corporate citizen

Lotterywest upholds the highest standards of corporate social responsibility, particularly in promoting our games. Our commitment to 'Play Responsibly' is clear across a range of marketing materials, encouraging players to spend only what they can afford.

Lotterywest has a commitment to responsible play through the accreditation awarded by the World Lottery Association for having met all standards under the Responsible Gaming Framework (Level 2). This outlines seven key principles relating to training, marketing, game design and research to minimise problem gambling.

With the launch of the internet sales channel, Play Online, it was vital to show the importance of 'Play Responsibly' online. The website offers information and support services, including a self-assessment questionnaire on personal gambling activity.

Play Online includes placing limits on, or setting personal weekly spending limits and verifies the age and identity before playing commences. Players must formally establish an e-wallet where they can monitor their play. We sought feedback from a number of organisations who supported this careful approach in designing this sales channel.



Albany Biodiversity Park



Reputation and stakeholder relations outcome:

A positive relationship with all stakeholders and a reputation within the Western Australian community in which the role we play is undertaken and held in high esteem

Albany Biodiversity Park



L-R: Karen and Robert from Business Operations

Recent events supported by Lotterywest:

July 2010:

WASO – The Resurrection Symphony by Mahler

70 guests (community organisations, retailers and staff)

August 2010:

WA Museum – Day in Pompeii

200 guests (community organisations, retailers, staff, external contractors)

WA Opera Cavalleria Rusticana and Pagliacci

65 guests (community organisations, retailers, staff)

September 2010:

Destination Delhi – Australian Commonwealth Team Farewell Lunch

10 guests (community organisations, retailers and staff)

Starlight Foundation – Five Chefs’ Dinner

10 guests (community organisations, retailers, staff)

WA Ballet – Sleeping Beauty

100 guests (community organisations, retailers, staff and Board members)

CCI Breakfast with Ian McLeod from Coles Group

10 guests

Australian Newsagents’ Federation

Lotterywest sponsored this event attended by 40 retailers.

October 2010:

Parkerville Children and Youth Care

Sports Charity Lunch – 10 guests (community organisations, retailers and staff)

National Breast Cancer Foundation

Touch of Pink Breakfast – 20 guests (community organisations, retailers, staff and Board members)

Lotterywest Tennis and Golf Day

Royal Perth Golf Club and Mt Lawley Tennis Centre – 120 retailers and Lotterywest staff

November 2010:

WASO – Beethoven’s 9th Symphony

70 guests (community organisations, retailers and staff)

December 2010:

WASO – Symphony in the City

170 guests (community organisations, retailers, staff, external business partners and Board members)

January 2011:

PIAF Somerville Cinema passes for retailers

February 2011:

Adventure World Family Fun Day - 3,000 guests (retailers and staff)

WA Opera in the Park – Die Fledermaus –

30 guests (community organisations, retailers, staff and Board members)

March 2011:

Anglicare Op Shop Ball

20 guests (community organisations, retailers, staff and Board members)

Commerce meets Culture

10 guests (community organisations, retailers and Board members)

WA Business News

Kerry Stokes breakfast event – 10 guests (retailers and staff)

West Australian Newsagents’ Association Golf Day

Lotterywest was a sponsor of this event and welcomed 120 guests (retailers and staff)

April 2011:

Wyndham Picture Gardens – Launch of Mad Bastards film

14 guests (retailers and Board member)

Broome Pictures – Mad Bastards film

24 guests (retailers and their staff)

May 2011:

WA Ballet – Cinderella

110 guests (community organisations, retailers, staff and Board members)

Black Swan State Theatre Company – A Midsummer Night’s Dream

50 guests (community organisations, retailers, staff and Board members)

WA Business News – Success and Leadership Malcolm McCusker Breakfast

10 guests (community organisations, retailers and staff)





The community of Lake Grace

Lotterywest, as part of the Western Australian Problem Gambling Support Services Committee, helped develop a marketing campaign titled 'When Does the Fun Stop for You?' This campaign was supported by the Department of Racing, Gaming and Liquor, Burswood Entertainment Complex, TAB and Lotterywest. The message has five peak awareness times throughout the year: Christmas, Chinese New Year, Melbourne Cup, AFL Grand Final and Responsible Gambling Awareness Week in mid-May.

A Lotterywest Grant each year is made for the specialist gambling support services operated by Centrecare. This grant is made as part of Lotterywest membership of the Problem Gambling Support Services Committee.

All reports on levels of problem gambling in Western Australia show

that lottery products do not contribute in any significant way to the incidence of problem gambling.

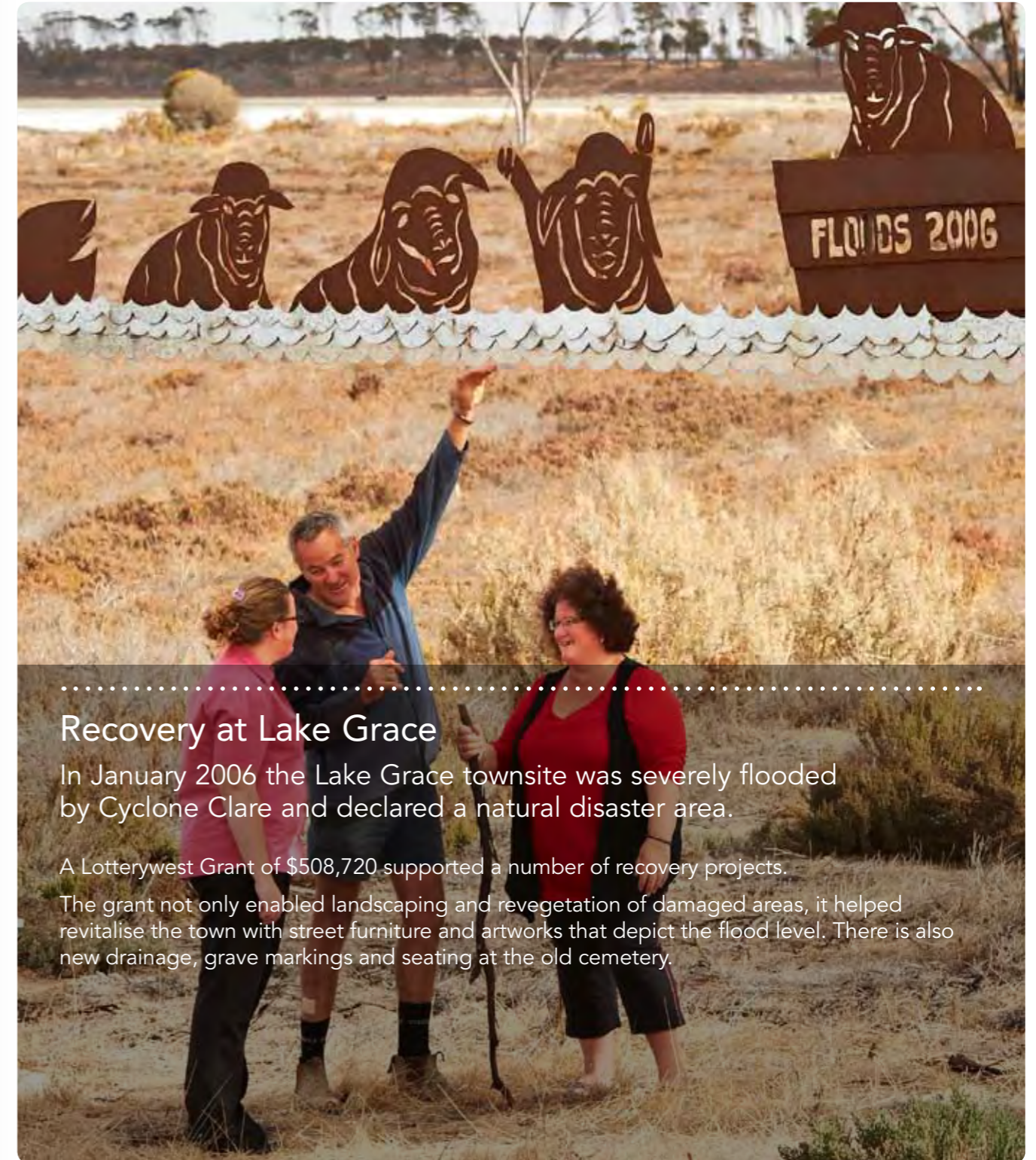
Our place in the lottery industry

Lotterywest regularly consults and collaborates with colleagues from around the world. As a member of the World Lottery Association, the Chief Executive Officer led the nomination committee of the World Lottery Association in 2010.

In 2011, as previously reported, Lotterywest was the first lottery in the Asia Pacific region to be accredited with the WLA Security Control Standard. Requiring significant resources and auditing, this accreditation ensures robust security and controls across our business.

Within a regional context, the Senior Manager of Corporate Communications

continued as Secretariat Administrator of the Asia Pacific Lottery Association in 2010/11, attending executive meetings in Phuket, Thailand, and Shanghai, China, for seminars and conferences. Lotterywest's contribution to the regional association ensures we maintain networks and learn from regional colleagues.



Recovery at Lake Grace

In January 2006 the Lake Grace townsite was severely flooded by Cyclone Clare and declared a natural disaster area.

A Lotterywest Grant of \$508,720 supported a number of recovery projects.

The grant not only enabled landscaping and revegetation of damaged areas, it helped revitalise the town with street furniture and artworks that depict the flood level. There is also new drainage, grave markings and seating at the old cemetery.

Yiwarra Kuju: The Canning Stock Route Exhibition

The Canning Stock Route, an epic endeavour even by Australian standards, was completed in 1906 for driving cattle nearly 2000km from the Kimberley to southern WA.

The [Canning Stock Route Project](#), whose Aboriginal name is Ngurra Kuju Walyja (One Country, One People), gathered over 100 artists and contributors from 17 communities impacted by the route to compile a history, from Aboriginal points of view, through painting, oral history and multimedia.

Work of Aboriginal curators and film makers, all mentored by FORM over five years, came to fruition in the exhibition Yiwarra Kuju: The Canning Stock Route, co-produced by the National Museum of Australia and FORM.

Lynda Dorrington, Executive Director of FORM, says Lotterywest's support for the Project was "a rare combination of leadership and capacity to deliver. CEO Jan Stewart has an extraordinary capacity to recognise the unique. Where others may have seen only the challenges of such a project, Lotterywest saw an opportunity to tell the story of the Stock Route through the vision of Aboriginal stakeholders."

Colourful route from past to present

As a boy 15 years ago, Curtis Taylor fished and hunted in creeks and the sea near his Kimberley community. Chasing turtles and dugong, he needed to be fast.

Today he is on a mission with a much longer timeframe. He is at the hub of an artistic vision to share Aboriginal culture stretching across thousands of years.

Curtis, a 22-year-old Martu studying screen production at Murdoch University,

is proud of his involvement as filmmaker and ambassador for the Canning Stock Route Project, launched in 2006.

In an interview he says modestly that he's "mainly just a facilitator. Yes, I make films about the art and lives of Western Desert people, but I'm grateful to everyone who is supporting me in telling these stories."

Accolades this year include the Youth Arts Award and Wesfarmers Indigenous Youth Scholarship, both announced at the Western Australian Citizen of the Year ceremony. The first is given to a person aged between 18 and 25 engaged "in pursuit of excellence in the arts." The scholarship is for gaining "knowledge and experience with a nominated mentor." The citation mentioned that Curtis had "written and directed seven short films, been director of photography on four films and has had his work shown at the National Museum of Australia."

His status as ambassador – someone representing his country overseas – has just been confirmed with two visits to North America. He was a key presence as educator and curator at a Martu cultural exhibition at Stanford, one of the United States' most prestigious universities.

The Stanford link began when two of the university's anthropologists, Doug and Rebecca Bird, began working with the Martu people 11 years ago. Their WA visits have included bringing groups of undergraduates.

"Many were of native American descent," says Rebecca Bird. "They camped and hunted with Martu and Curtis was one of the people most involved in hosting them and showing them their country."

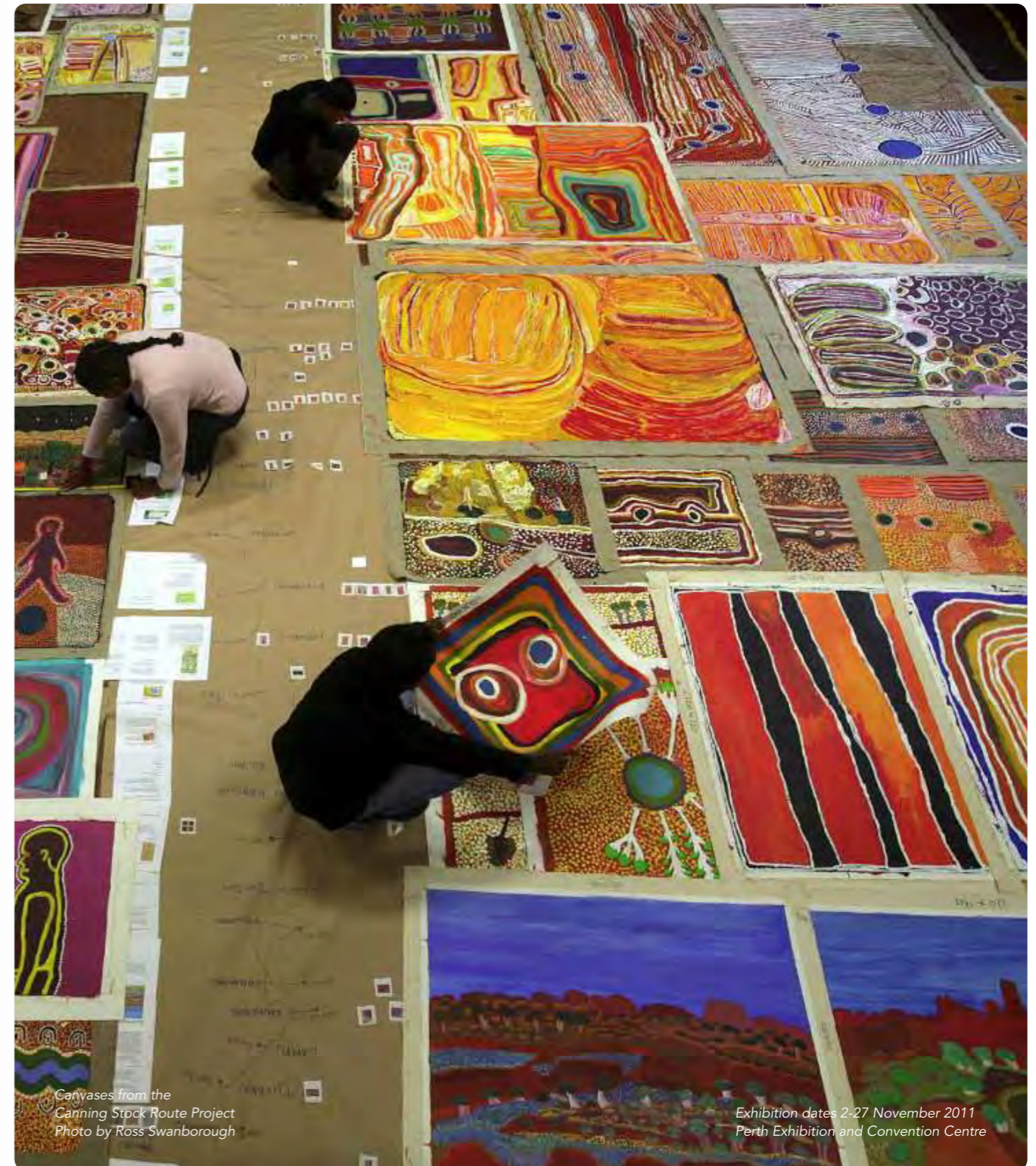
Born in Broome, he grew up at Bidyadanga, 200km down the coast. The eldest of four children of Desmond Taylor and Theresa Jadai, he recalls the bonus of bilingual schooling. "The first part of our week was in English. On Thursday we would split up into the five language groups."

After secondary education in Perth and Port Hedland, Curtis' creative promise was noticed by Martu Media. He became Youth Development Officer and learned enough about filming to be a huge asset to the Canning Stock Route Project.

The exhibition that grew from it – a compelling record of how Aboriginal people have cared for their country – has already had nationwide reach. In October the exposure will be international, when it is installed in Perth during CHOGM (Commonwealth Heads of Government Meeting).

About 50 Aboriginal people, including Curtis, will be on hand to interpret and explain. He has come a long way from Bidyadanga, and is in the driving seat for countless others whose voices need to be heard.

Written by Patrick Cornish



Canvases from the Canning Stock Route Project
Photo by Ross Swanborough

Exhibition dates 2-27 November 2011
Perth Exhibition and Convention Centre

Operating with integrity

Our Business Framework: Governance, compliance and technology

The Commission

The Commission is the Lotteries Commission (trading as Lotterywest) constituted by section 5 of the Lotteries (Control) Act 1954 and continued in existence by the Lotteries Commission Act 1990 (as amended), referred to in this section as 'the Act'. The function of the Commission is to conduct lotteries and 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

The accountable authority of the Lotteries Commission is the Board of six appointed by Cabinet under the recommendation of the relevant Minister, currently the Premier, the Hon Colin Barnett MLA.

One Board member, Professor Linda Kristjanson resigned during her term of office in April 2011 to take up a new position in Victoria. Cabinet approved the appointment of new Board member, Dr Maria Harries in June 2011.

The Board are responsible for oversight of the business and for making recommendations for the Premier's approval on grants.

Other responsibilities include the preparation and submission to the Premier of:

- A *strategic development plan*
- A *statement of corporate intent*

Mr John Atkins (Chairman)

Mr John Atkins is Chairman of the Lotterywest Board and was appointed in March 2010. Mr Atkins has a long history of community involvement with previous board appointments on the Fremantle Hospital Board, Princess Margaret Hospital Foundation, Metropolitan Health Services Board, Foodbank and Asialink. He is currently Chairman of Western Australia – ANZ and brings a strong background to the Lotterywest Board in commercial law. Mr Atkins also currently serves as the Director and Vice-President of the Chamber of Commerce and Industry, and holds other appointments with Breakaway Resources, Australian Finance Group Ltd, Committee for Perth and Barrington Consulting.

Mr Roger Lewis (Board Member)

Mr Roger Lewis was appointed to the Board in March 2000. 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. Currently, Mr Lewis is a Director of a NYSE-listed Oil & Gas corporation and Chairman of its Audit Committee. 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 fellow of CPA Australia (FCPA).

Mr Ray Bennett (Board Member)

Mr Ray Bennett was appointed to the Board in December 2007. 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 general manager in retail banking and has held consulting positions for an international accounting firm, a financial institution and a legal firm. Mr Bennett has also been a company director of his own small business and a commercial property development officer. Mr Bennett is currently a Director with the Gold Corporation.



Lotterywest Board. L-R Roger Lewis, Sheila Hood, Ray Bennett, John Atkins, Linda Kristjanson (resigned April 2011), Colin Campbell-Fraser. Inset Maria Harries

Professor Linda Kristjanson

(Board Member) Resigned in April 2011.

Professor Linda Kristjanson was appointed to the Lotterywest Board in March 2010. Professor Kristjanson was the Deputy Vice Chancellor, Research and Development at Curtin University of Technology. She held the position as The Cancer Council WA Chair of Palliative Care until 2006 and served as a member of the National Health and Medical Research Council between 2003 and 2006. In 2002, Professor Kristjanson was awarded Australian Telstra Business Woman of the Year for her entrepreneurial work in health research and science. She is also currently the non-executive Director of the Australian Synchrotron, Deputy Chair of the ChemCentre Board and Chair of the AuScope Ltd. Board.

Mr Colin Campbell-Fraser

(Board Member)

Mr Colin Campbell-Fraser was appointed to the Board in December 2007. Mr Campbell-Fraser is Principal Advisor (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. As a former senior journalist Mr Campbell-Fraser has built a career in communications for the public and private sector. He has held positions advising senior members of State Parliament and Government agencies.

Ms Sheila Hood

(Board Member)

Ms Sheila Hood was appointed to the Board in August 2010. Ms Hood is currently Executive General Manager of HBF, responsible for Group Finance, Legal, IT, Governance, Information and Planning. She was previously the General Manager of HBF Health. She has more than 18 years experience in increasingly senior strategic and

Meetings

The Board normally meets 11 times a year. Some members are also members of the Audit Committee and the Board Project Steering Committee. Occasionally special planning meetings are scheduled.

Board member	Term of Office	Left Office
John Atkins – Chairman	26 March 2010-26 March 2013	—
Roger Lewis	25 March 23000-25 March 2012	—
Ray Bennett	1 January 2008-31 December 2013	—
Linda Kristjanson	26 March 2010-26 March 2013	30 April 2011
Colin Campbell-Fraser	1 January 2008-31 December 2011	—
Sheila Hood	2 August 2010-2 August 2013	—
Maria Harries	21 June 2011-21 June 2014	—

Board member	Number of Board meetings held in 2010/11	Number of meetings attended
John Atkins – Chairman	12	12
Roger Lewis	12	11
Ray Bennett	12	12
Linda Kristjanson	10	10
Colin Campbell-Fraser	12	10
Sheila Hood	11	11

operational roles, including as Product Director of global pharmaceutical company GlaxoSmithKline and as an economist for the Bank of Canada and Statistics Canada. Ms Hood also holds a Bachelor of Arts (Honours in Economics) from the University of Western Ontario and a Master of Arts (in Economics) from McMaster University, Canada. She is also a recent graduate of the Australian Institute of Company Directors.

Dr Maria Harries

(Board member)

Dr Harries runs her own evaluation and management consulting business as well as holding an Honorary research position at The University of Western Australia where she worked as an academic for over twenty years. With original degrees in Psychology from the University of Tasmania, and Social Work from The University of Western

Australia, and then a Masters in Social Administration from Flinders University and a PhD from Murdoch University, Maria has built up a forty year career in human services in WA, interstate and overseas. During this time she has developed a reputation as a leader in a diversity of areas including mental health, child and family welfare, ethics, research, management and governance. She has chaired a number of organisations and is currently chairperson of MercyCare, a large WA non government organisation that includes health, aged care and community services. In acknowledgment of her contribution to the Australian community, she was awarded an Order of Australia (AM) in 2004. Previously a councillor with the City of Subiaco, Dr Harries retains a strong belief in the importance of community and a commitment to the development of civil society.

Duties of Board Members

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 Board members are directors for the purposes of this Act.

Under section 5(1) of the Statutory Corporations (Liability of Directors) Act 1996, a Board member 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.

Compensation and remuneration

Board members are entitled to such remuneration and allowances as determined by the Premier.

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
- 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
- Developing and maintaining an effective internal audit function for Lotterywest

Audit and Risk Management Committee and Internal Audit

Since 1992 it has been the practice of the Board to appoint an independent Chairman. From that time the Chairman of the Audit and Risk Management Committee has been Mr Campbell Ansell. Other members of the committee are: the Board Chairman, John Atkins, and Board members Roger Lewis and Ray Bennett. The committee met four times during the year. All members attended each meeting with the exception of Roger Lewis who attended three times. Lotterywest's Internal Auditor is Ernst & Young. Lotterywest's Internal Audit and Risk Management Committee Charter provides the framework for the Internal Audit and Risk Management functions. From time to time the Board establishes special purpose committees. One such sub-committee was the Matrix Board Sub-Committee (now the BEP Sub-Committee, since the Matrix project was completed). This committee is also

chaired by the Chairman of the Audit and Risk Management Committee. It met seven times during the year and was attended by Board member Roger Lewis (four times), Ray Bennett (four times), and Board Chairman John Atkins (seven times).

Insurance premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify Board members against any liability incurring under Sections 13 and 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid in 2010/11 was \$20,140. Board members contributed \$200 to this amount.

The Place of Reflection – A united effort

Bringing together diverse organisations with similar ideas and aspirations is something we are proud of.

In 2002 a collection of organisations and individuals approached Lotterywest with a similar idea. Each had independently recognised the need for a special place where people who had experienced major loss could reflect and remember loved ones.

It was through this consortium of organisations, brought together by our grants staff, that Western Australia now has the Place of Reflection in Kings Park, a special garden where the bereaved can seek understanding, peace, healing, hope and renewal.

The group comprised representatives of:

- Association for Services to Torture & Trauma Survivors (ASeTTS), which gives counselling and other services for refugees who have been tortured
- Healing Hearts Foundation, founded by the Rotary Club of Heirisson to help families who have lost a child and to create symbolic places of hope
- SIDS and Kids WA, dedicated to eliminating sudden infant deaths, as well as helping bereaved families
- Soroptimist International of South Perth, supporting families of missing persons
- The Compassionate Friends, a self-help community organisation for bereaved parents
- Friends of Kings Park, who were the recipients of the grant to create the garden.

With Lotterywest's encouragement, the first groups to approach us agreed to work collaboratively and establish a consortium. A small grant enabled a feasibility study which identified Kings Park as the best site and led to an expansion of the group to include ASeTTS, Compassionate Friends and Friends of Kings Park.

A second grant enabled the group to undertake a community consultation and plan.

The Botanic Gardens and Parks Authority helped complete design work. A final grant of \$1,085,000 was for construction. The consortium received substantial private donations and corporate sponsorship to secure the total funds required.

This project illustrates that planning and engagement can take years to bear fruit.

After nearly 10 years of commitment The Place of Reflection was opened in April 2011.

Executive team

Mrs Jan Stewart
Chief Executive Officer

Mrs Jacquie Thomson
General Manager, Grants & Community Development
Responsible for leading our grant making and community development activities.

Mr Alec James
General Manager, Business Development
Responsible for leading the investigation, development and implementation of future business opportunities

Mr Don Wharton
General Manager, Information Services & Chief Information Officer
Responsible for Lotterywest system operations and our information systems; both gaming systems and management information and project management. Leader of the Business Enhancement Project.

Mr Graham Lewis
General Manager, Corporate Services & Chief Financial Officer
Responsible for financial services, people management services and facilities.

Mrs Lorraine Driscoll
General Manager, Strategy & Planning
Responsible for leading strategic planning, business analysis, corporate project coordination, organisational development and business system management.

Ms 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.



Executive Team: L-R: Lorraine Driscoll, Jacquie Thomson, Alec James, Jan Stewart, Graham Lewis, Maree Brown and Don Wharton at the Place of Reflection in Kings Park

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. 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 (Monday & Wednesday Lotto) Rules 2006 (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 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.

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 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
- 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.

These provisions specify how the revenue raised is to be distributed to the beneficiaries named in the Act. This is detailed in full on page 21.

Information

It is Lotterywest policy to provide as much information as possible to the public within the bounds of commercial requirements. During 2010/11 no Freedom of Information application was received.

Publications for the public

The following publications relating to our activities are available to the public from Lotterywest headquarters:

- 2010-2014 Strategic Plan
- Lotterywest Information Statement
- Player Guide Brochures.

The Lotterywest website www.lotterywest.wa.gov.au has information on our organisation, game results and grants.

Code of Conduct

To ensure understanding of, and

Advertising and sponsorship

In compliance with the Electoral Act 1907, section 175ZE, Lotterywest is required to report on expenditure incurred during 2010/11 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:

Expenditure with Advertising Agencies:	\$
Expenditure with Market Research Agencies	9,701.44
Expenditure with Polling Agencies	—
Expenditure with Direct Mail Agencies	273,166.30
Expenditure with Advertising Agencies	2,416,428.82
Expenditure with Media Advertising Agencies	7,520,494.21
Total Expenditure	10,219,790.77

compliance with, ethical behaviour in the workplace, and compliance with all Public Standards and relevant legislation, all staff are required to attend training programs on acceptable workplace behaviour. The Code of Conduct is issued to all staff in booklet form and a copy is available on the Intranet. Processes to deal with sub-standard performance and discipline are also available on the Intranet.

Lotterywest has compulsory Confidentiality Agreements for all staff and contractors. This helps manage the risk associated with working in an organisation holding particularly commercially sensitive information.

Recordkeeping plan

Lotterywest complies with the State Records Act 2000 and has an approved Recordkeeping Plan that is reviewed every five years. Lotterywest conducts recordkeeping training through an online package called 'Recordkeeping Awareness Training', this is mandatory for all new staff and must be successfully completed within three months. The 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.

As part of the induction process, a Corporate Information team member spends time with the new staff member to ensure that he/she is aware of roles and responsibilities in regards to compliance with the Lotterywest Recordkeeping Plan.

Public interest disclosures

Lotterywest has three Public Interest Disclosure (PID) officers who have received training on the Public Interest Disclosure Act 2003 and guidelines for its implementation. Government publications are available on the corporate Intranet and include information booklets, user guides and internal contact numbers for further information. Information on PID is part of induction for new staff.

During the 2010/11 financial year there were no public interest disclosures.

Handling complaints

Customer complaints are handled through the Customer Enquiries and Helpdesk functions of Lotterywest via the Customer Relationship Management (CRM) system commissioned in June 2008. This captures all customer feedback for analysis.

Pricing policies

Lotterywest has discretion to adjust the prices of its products, subject to Ministerial approval.

Conflict of interest

At the date of reporting, other than normal contracts of employment of service, no Board members or senior officers, or firms in which members or senior officers have substantial interests, had any interests in existing or proposed contracts. Such interests are subject to 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 (HRM), 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 HRM Standards and human resource policies on the Intranet. In 2010/11 no breaches of standards claims were lodged.

Lotterywest's People Services area uses checklists for each of the Standards in administering the human resource function and 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.

An internal audit conducted by Ernst and Young in February 2011 of the People Service's team compliance with the HR Standards found no issues of concern.

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

In 2010/11 Lotterywest provided refresher workshops for staff, including integrity, equal opportunity and acceptable workplace behaviour training.

A total of 97% of staff attended.

During the year, two grievances were lodged against the Code of Conduct, both of which have been resolved. Two outstanding grievances lodged in 2009/10 were also resolved in this financial year.

Occupational Health and Safety

The work of the OHS Committee includes reducing hazards across all parts of Lotterywest facilities, as well as updating OHS policies and processes as part of the governance project. There were no lost time injuries in 2010/11.

In February 2011 new members were elected to replace those completing their terms. A total of eight were elected – six new and two re-elected. The new committee will begin its term in July 2011.

Four OHS committee members have completed their representative training, with nine more planned to do this in 2011/12.

In April 2011 we selected a new local company to undertake ergonomic assessments and reports and to deliver ergonomics training for staff working on specialised work stations. Employees in the Grants and Community Development business unit have been trained to ensure safety of new systems and equipment.

Ergonomics training is planned for July/August 2011 for the eight new staff representatives on the OHS committee and any other management representatives who come on board during this term.

Occupational Health and Safety and WorkSafe Plan

(Statement against the Act) Lotterywest is committed to ensuring our workplace is safe. We have occupational health and safety and injury management systems in

Injury management

Lotterywest has an injury management system in accordance with the Workers' Compensation and Injury Management Act 1981. Our approach to injury management, and support for employees in their return to work, was reviewed in 2010/11 in consultation with RiskCover. It includes consultation with employees, their manager and medical practitioners or specialists where necessary.

Training in manual handling was given to 30 employees, with more planned for 2011/12. Fire warden training was provided to 37 fire wardens in 2010/11.

Indicator	Target 2010/11	Performance 2010/11
Number of fatalities	0	0
Lost time injuries/ incidence rate	0 or 10% reduction on previous year	0
Lost time injury severity rate improvement on previous year	0 or 10%	0
Percentage of injured employees returned to work within 28 weeks	100%	100%
Percentage of managers trained in OSH and injury management responsibilities	Greater than or equal to 50%	60%

accordance with requirements of the Workers' Compensation and Injury Management Act 1981.

Our Strategic Plan and WorkSafe Plan include strategies and performance targets on occupational health and safety. These matters are reported regularly to the Board, Executive and employees through meetings, the Intranet and the OSH Committee.

In 2010/11 we internally reviewed our WorkSafe Plan and OSH policies and processes. The review's main recommendations were:

- Improving data and reporting on management of workplace hazards and risks
- Raising staff awareness of the importance of health and safety in the workplace
- Investigating whether our steps reduce hazards, risks, injuries and insurance claims.

Security and Risk Management Committee

This committee oversees any cases of substantial risk and security projects within Lotterywest. Membership comprises senior management from different business units and meets regularly throughout the year. Projects are tabled for discussion and action where necessary.

Risk management

Lotterywest adheres to the Australian/ New Zealand Risk Management Standard AS/NZS ISO 31000:2009. During the 2010/11 financial year RiskCover – which gives advice on strategic and operational risk – conducted a thorough examination of our risk management practices. The RiskCover analysis will form the basis of improvements in risk management throughout Lotterywest in the coming financial year. The review will be presented to the Audit Committee and Security and Risk Management Committee.

The risk register is reviewed regularly. During the 2010/11 financial year it was updated to reflect changes in the new standard AS/NZS ISO 31000:2009. In accordance with this standard the risk register is now aligned with the Strategic Plan 2014.

Security

During the financial year RiskCover also completed a site safety risk review of 72 Walters Drive. This forms the basis for facilities management within Lotterywest to implement findings in line with continuous improvement in physical security of staff and property. This review was presented to the Risk and Security Committee.

Technology

Technology is the foundation in which our gaming system and all our business processes are based. This means having the best modern technology is critical for our long term success. During 2011 we configured and deployed new back-up technology for enterprise-wide back-up capability for all key systems. This will allow for the use of integrated schedules and minimise manual intervention in the future. This has significantly lowered the risk of data loss across Lotterywest.

An internal Enterprise Resource Planning (ERP) portal has been configured to give a single sign-on access method to all ERP applications. This advance in security is a milestone in progress towards an access and identity management solution spanning all Lotterywest systems and facilities.

Lotterywest is the first Australian lottery to attain the ISO/IEC 27001:2005 security standard and associated WLA:SCS security certification. This positions us well to take part in world lottery initiatives.

Use of energy

Lotterywest's Energy Management Plan (EMP), endorsed by the Executive of the Sustainable Energy Development Office

(SEDO), outlines strategies to reduce the cost and environmental impact of Lotterywest's operations through improved energy management.

The main energy consumption of all Lotterywest buildings, which report to SEDO, has slightly decreased since last year.

Lotterywest's existing cooling system at 74 Walters Drive to cool our sensitive Uninterruptable Power Supply equipment, which supplies power to the computer room, has been upgraded to a more energy efficient system. The main air-conditioning system at 72 Walters Drive, containing 13 reverse cycle units, has been added to the building management system to provide better control.

Facilities upgrade

The decommissioning of the warehouse at 74 Walters Drive was completed this year. The warehouse serves as the storage and despatch facility for the supplies of products, marketing material and other supplies needed by our retailers. It is also the storage facility for supplies needed by Lotterywest.

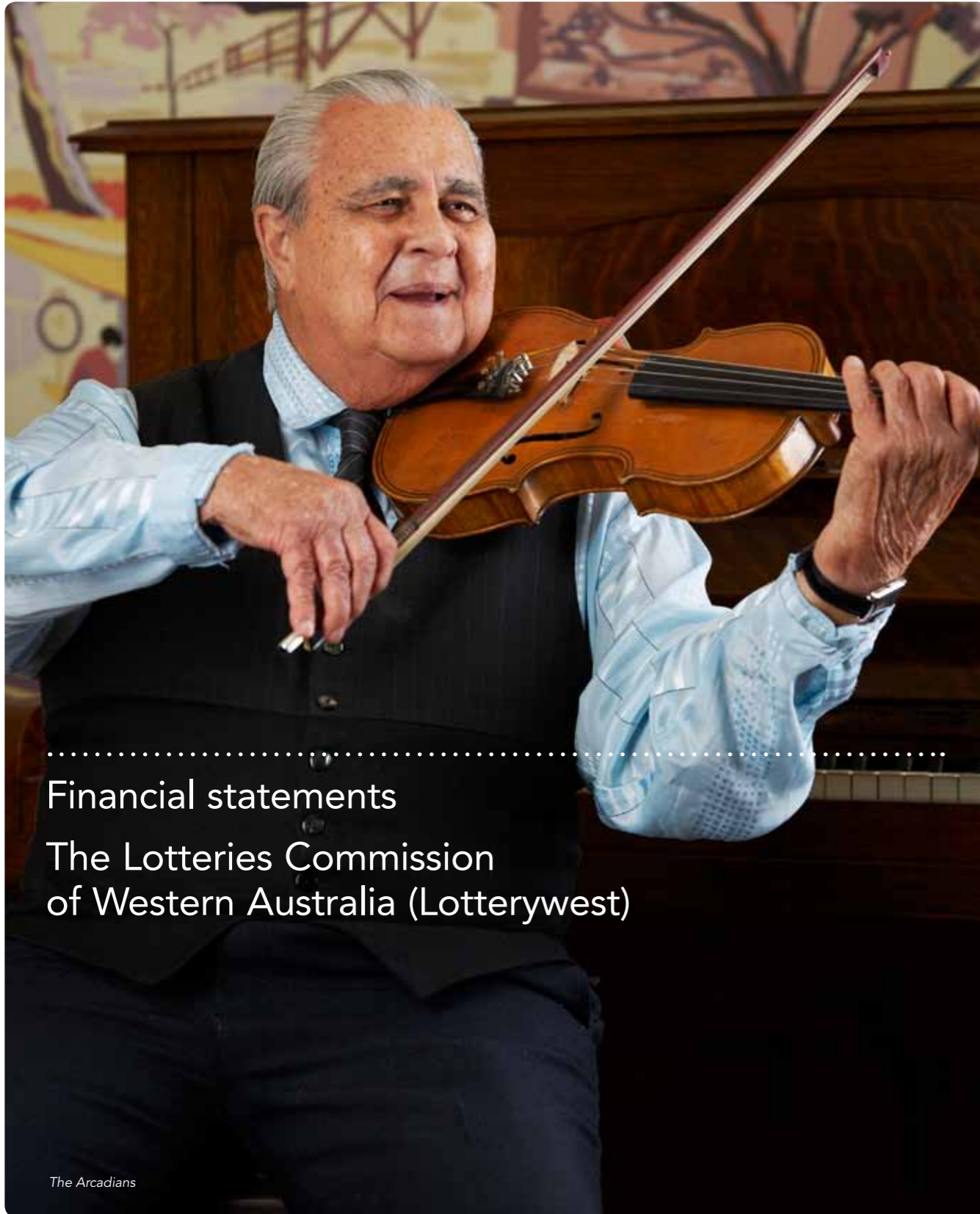
A larger, better designed and equipped warehouse was opened at 72 Walters Drive. This warehouse is now fully operational giving better working conditions for staff and improved services to retailers.

The space previously used as the warehouse at 74 Walters Drive has been set up as much improved workspace for the field services technicians and storage for the equipment they need.

It has also had the advantage of bringing them back to the building where they are now located in close proximity to their manager and other members of the Information Services team to which they belong.

Refurbishment of the retail training site in

Subiaco will be completed next financial year. The refurbishment will improve the training facilities and allow the building to be used as a more functional disaster recovery site as part of business continuity planning.



Financial statements
The Lotteries Commission
of Western Australia (Lotterywest)

The Arcadians

**Hon. C J Barnett MEd MLA
PREMIER**

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit to the Premier for information and presentation to Parliament, the Annual Report of the Lotteries Commission for the financial year ended 30 June 2011

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).

John Atkins
Chairman
Accountable Authority
15 August 2011

Roger Lewis
Commissioner
Accountable Authority
15 August 2011



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

LOTTERIES COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Lotteries Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Lotteries Commission at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Lotteries Commission

Report on Controls

I have audited the controls exercised by the Lotteries Commission. The Commission is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Commission based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the controls exercised by the Lotteries Commission are sufficiently adequate to 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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Lotteries Commission. The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the key performance indicators of the Lotteries Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.

COLIN MURPHY
AUDITOR GENERAL
17 August 2011

Certification of performance indicators

Hon. C J Barnett MEd MLA
PREMIER

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Lotteries Commission's performance, and fairly represent the performance of the Lotteries Commission for the financial year ended 30 June 2011.



John Atkins
Chairman
Accountable Authority
15 August 2011



Roger Lewis
Commissioner
Accountable Authority
15 August 2011

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 2010/11	Budget 2010/11	Actual 2009/10	2008/09	2007/08	2006/07
1) Total Sales Per Adult	\$375.71	\$396.06	\$394.25	\$416.61	\$391.46	\$365.01
2) Total Grants to Eligible Organisations Per Capita	\$104.86	\$105.29	\$106.71	\$107.04	\$98.47	\$90.14
3) Total Grants to Eligible Organisations as a % of Sales	35.2%	33.5%	34.2%	32.5%	31.7%	31.2%

Efficiency Indicators	Actual 2010/11	Budget 2010/11	Actual 2009/10	2008/09	2007/08	2006/07
4) Lotteries Operations Expenses as a % of Sales*	6.4%	6.2%	5.9%	6.1%	6.3%	5.7%
5) Grants Operations Expenses per \$ of Grants to Eligible Organisations	\$0.053	\$0.057	\$0.052	\$0.053	\$0.058	\$0.064

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

Base Data	Actual 2010/11	Budget 2010/11	Actual 2009/10	2008/09	2007/08	2006/07
a. Total Population (million)	2.2920	2.2920	2.2456	2.1995	2.1029	2.0716
b. Adult Population (million)	1.8188	1.8188	1.7793	1.7399	1.6710	1.6410
c. Total Sales (million)	\$683.34	\$720.35	\$701.48	\$724.86	\$654.13	\$599.00
d. Total Community Grants – incl grants distributed but not taken up (million)	\$240.34	\$241.32	\$239.63	\$235.44	\$207.08	\$186.73
e. Direct Grants – incl grants distributed but not taken up (million)	\$114.07	\$107.50	\$109.85	\$101.60	\$86.18	\$74.62
f. Total Lottery Expenses* (million)	\$489.19	\$512.84	\$497.91	\$515.23	\$468.14	\$422.15
g. Lotteries Operations Expenses (million)	\$43.71	\$44.72	\$41.45	\$43.93	\$41.52	\$34.31
h. Grants Operations Expenses (million)	\$6.06	\$6.08	\$5.74	\$5.37	\$4.96	\$4.77

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 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 decrease in sales per adult this year and the unfavourable to budget variance can largely be attributed to both the economic environment and the overall decline in sales experienced by the retail sector as well as the limited number of jackpots from our jackpotting games – OZ Lotto and Powerball – compared with that estimated by our statistical model.

Note: Adult population refers to the number of Western Australians of 16 years and over who are permitted by the Lotteries Commission Act (1990) 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 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 35.2% of gross sales revenue as grants for the Western Australian community.

This is a favourable to budget outcome and continues a five year trend of improving results. This level of return is well above that stipulated in the Lotteries Commission Act 1990 which provides that 67.5% of net subscriptions be returned in the form of grants to the Western Australian community. By way of comparison, this equates to a funding to sales ratio of approximately 24.6%.

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 slightly unfavourable to budget result of 6.4% is attributable to a combination of lower than budgeted sales and higher resourcing costs due to the return of staff to operational activities following the completion of long term capital projects.
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 grants distribution. The result this year of \$0.053 of expenditure for every dollar of direct grant monies distributed shows a favourable variance to budget and is in line with previous years results. This is attributable to the Grants team distributing accumulated reserves through the direct grants program to meet increasing demand for financial support.

Base Data

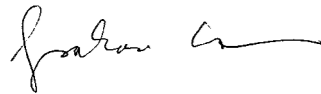
- (a) and (b) Lotterywest uses population figures sourced from the Australian Bureau of Statistics (ABS) in calculating its performance indicators. The total population of Western Australia is used for Community Grants indicators as all Western Australians benefit from the community funding grants program. 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 2010/2011.
- (d) This item shows the total of all statutory and direct grants funding for 2010/2011, including those funds approved but not taken up.
- (e) This item shows the total of direct grants funding for 2010/11, including those funds approved but not taken up. This year some 1,366 grants were given to 1,080 not for profit and benevolent organisations which benefited from Lotterywest's Direct Grants program.
- (f) These figures reflect total Lottery Expenses including cost of sales - prizes \$383.4 million, retailers' commission \$56.0 million and operational expenses \$49.7 million. It excludes payments of GST on the gaming margin on the basis that such payments are refunded by the State Government.

- (g) This figure shows the total operational costs in operating the lotteries business. It excludes the Grants operations expenses.
- (h) This figures reflects the total costs in undertaking the Direct Grants funding administration and distribution function, it excludes Lotteries operations expenses.

Certification of Financial Statements for the year ended 30 June 2011

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 ending 30 June 2011 and the financial position as at 30 June 2011.

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 Financial Officer
15 August 2011



John Atkins
Chairman
Accountable Authority
15 August 2011



Roger Lewis
Commissioner
Accountable Authority
15 August 2011

For the year ended 30 June 2011

	Note	2011 \$000	2010 \$000
INCOME			
Revenue			
Sales of Goods	3	683,344	701,483
Interest Revenue	4	18,801	14,687
Other Revenue	5	11,550	13,888
Total Income		713,695	730,058
EXPENSES			
Cost of Sales	3	466,700	478,780
Lotteries Operations	6	43,706	41,445
Grants & Community Development Operations	7	6,057	5,742
Community Grants	8	238,753	234,803
Total Expenses		755,216	760,770
(Loss) before Grants from State Government		(41,521)	(30,712)
Grants from State Government	9	27,275	28,056
(Loss) for the Period		(14,246)	(2,656)
OTHER COMPREHENSIVE INCOME			
Changes in Asset Revaluation Surplus/(Deficit)	20	1,134	(1,233)
Total Other Comprehensive Income		1,134	(1,233)
Total Comprehensive (Loss) for the Period		(13,112)	(3,889)

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

Statement of Financial Position

As at 30 June 2011

	Note	2011 \$000	2010 \$000
ASSETS			
Current Assets			
Cash and Cash Equivalents	26	5,919	13,349
Inventories	10	301	1,126
Receivables	11	7,406	17,122
Held to Maturity Financial Assets	12	206,341	226,461
Total Current Assets		219,967	258,058
Non Current Assets			
Held to Maturity Financial Assets	12	49,545	42,544
Work in Progress	13	438	6,062
Property, Plant and Equipment	14	20,849	22,161
Intangibles	15	29,046	19,481
Total Non Current Assets		99,878	90,248
Total Assets		319,845	348,306
LIABILITIES			
Current Liabilities			
Payables	17	162,479	181,255
Provisions	18	18,304	16,850
Sales in Advance	19	5,217	3,741
Total Current Liabilities		186,000	201,846
Non Current Liabilities			
Payables	17	450	500
Provisions	18	878	331
Total Non Current Liabilities		1,328	831
Total Liabilities		187,328	202,677
NET ASSETS		132,517	145,629
EQUITY			
Reserves	20	8,373	7,239
Retained Earnings	20	124,144	138,390
Total Equity		132,517	145,629

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity



For the year ended 30 June 2011

	Note	Asset Revaluation \$000	Accumulated surplus/(deficit) \$000	Total Equity \$000
Balance at 1 July 2009		8,472	141,046	149,518
Total Comprehensive Income for the Year	20	(1,233)	(2,656)	(3,889)
Balance at 30 June 2010		7,239	138,390	145,629
Balance at 1 July 2010		7,239	138,390	145,629
Total Comprehensive Income/(loss) for the Year	20	1,134	(14,246)	(13,112)
Balance at 30 June 2011		8,373	124,144	132,517

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

Statement of Cash Flows

For the year ended 30 June 2011

	Note	2011 \$000	2010 \$000
Cash Flows from Operating Activities			
Receipts			
Sale of Goods		691,854	737,160
Interest Received		18,501	14,377
GST Receipts on Sales		485	518
Payments			
Prizes and Retailers' Commissions		(430,859)	(460,768)
Suppliers and Employees		(38,037)	(47,143)
Community Grants		(120,169)	(85,199)
GST Payments on Purchases		(20,429)	(17,063)
GST Payments to Taxation Authority		(8,308)	(12,993)
Net Cash Provided by Operating Activities	26	93,038	128,889
Cash Flows from Investing Activities			
Purchase of Non Current Assets		(13,207)	(894)
Purchase of Investments		13,119	(15,328)
Net Cash (used in) Investing Activities		(88)	(16,222)
Cash Flows (to)/from State Government			
GST Reimbursements		27,620	31,960
Statutory Funding Payments		(128,000)	(134,999)
Net Cash (Provided to) State Government		(100,380)	(103,039)
Net Increase/(Decrease) in Cash and Cash Equivalents		(7,430)	9,628
Cash and Cash Equivalents at Beginning of Period		13,349	3,721
Cash and Cash Equivalent Assets at End of Period	26	5,919	13,349

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

Notes to the Financial Statements



For the year ended 30 June 2011

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 2011 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 2011. Consequently, Lotterywest has not applied the following Australian Accounting Standards that have been issued but are not yet effective. Where applicable, Lotterywest plans to apply these Australian Accounting Standards from their application date:

Future Impact of Australian Accounting Standards not yet operative

- AASB 2009-11 (operative for reporting periods beginning on or after 1 January 2013)

Amendments to Australian Accounting Standards arising from AASB 9 [AASB1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12]

The amendment to AASB 7 Financial Instruments: Disclosure requires modification to the disclosure of categories of financial assets. Lotterywest does not expect any financial impact when the Standard is first applied.

- AASB 2009-12 (operative for reporting periods beginning on or after 1 January 2011)

Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]

This amendment makes numerous terminology changes to a range of Australian Accounting Standards and Interpretations. Lotterywest does not expect any financial impact when the Standard is first applied.

- AASB 2010-5 (operative for reporting periods beginning on or after 1 January 2011)
Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010)

This Standard introduces a number of terminology changes as well as minor presentation changes to the notes to the Financial Statements. There is no financial impact on the Authority resulting from the application of this revised Standard.

- AASB 9 (operative for reporting periods beginning on or after 1 January 2013)

For the year ended 30 June 2011

Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace AASB 139 Financial Instruments: Recognition and Measurement.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.

- (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.
- (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Lotterywest does not expect a material financial impact when the Standard is first applied.

- AASB 2010-7 (operative for reporting periods beginning on or after 1 January 2013)

Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]

This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. Lotterywest does not expect a material financial impact when the Standard is first applied.

- AASB 2011-2 (operative for reporting periods beginning on or after 1 July 2011)

Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]

This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. Lotterywest has not yet determined the application or the potential impact of the amendments to these Standards.

- AASB 1054 (operative for reporting periods beginning on or after 1 July 2011)

Australian Additional Disclosures

This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.

Lotterywest has not yet determined the application or the potential impact of the amendments to these Standards.

- AASB 2011-1 (operative for reporting periods beginning on or after 1 July 2011)

Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]

This Amending Standard, in conjunction with AASB 1054 Australian Additional Disclosures, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.

Lotterywest has not yet determined the application or the potential impact of the amendments to these Standards.

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.

(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 by the Valuer General's Office.

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).

Lotterywest makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

In calculating Lotterywest's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Early Obsolescent of Non Current Assets

In providing depreciation of all non current assets including intangible assets (software application), the estimated useful life method is used to ensure the carrying amount of all non current assets are represented at fair value and reflect the consumption of their future economic benefits. The estimated useful life of computer hardware and software would be impacted by technological development.

For the year ended 30 June 2011

(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 of goods 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 Statement Of Comprehensive Income (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 end of the reporting period.

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 surplus 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	50 years
Leasehold Improvements	10 years
Equipment and Fittings	5 to 10 years
Computer Equipment	3 to 8 years

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets described in note 14 'Property, Plant and Equipment'.

Works of Art

Works of art controlled by Lotterywest are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

(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.

For the year ended 30 June 2011

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

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. 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.

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.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(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 Statement of Comprehensive Income 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);
- Financial liabilities (finance leases, prizes and other payables, and community grants).

Initial recognition and measurement is at fair value. Subsequent measurement is at amortised cost using the effective interest method.

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 Statement of Cash Flows, 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 Statement of Comprehensive Income. 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 Statement of Comprehensive Income.

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.

For the year ended 30 June 2011

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 Statement of Comprehensive Income 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.

(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 expected to be settled within 12 months after the end of the statement of financial position 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 statement of financial position 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 statement of financial position 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 statement of financial position 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 (GSS) Scheme, 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 (WSS) Scheme. Employees commencing employment on or after 16 April 2007 became members of the GESB Super (GESBS) Scheme. 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 statement of financial position 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 statement of financial position 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 GSS 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 *Employee Benefits*.

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.

For the year ended 30 June 2011

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

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.

(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 cost that can be reliably measured are recognised at fair value. Where resources received represent a service the Lotterywest would pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets and services received from the other State Government agencies are disclosed separately under Income from State Government in the Statement of Comprehensive Income.

(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.

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

	2011 \$000	2010 \$000
Sales of Goods	683,344	701,483
Cost of Sales		
Prizes	(383,415)	(392,952)
Commission paid to Lotterywest licencees	(56,010)	(57,772)
Goods and Services Tax (see note 2(t))	(27,275)	(28,056)
	(466,700)	(478,780)
Trading Profit	216,644	222,703

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 for the gaming products run by the state independently.

The prize allocation for each game requires the approved 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

	2011 \$000	2010 \$000
Interest earned from investments	18,801	14,687

5. OTHER REVENUE

	2011 \$000	2010 \$000
Forfeited Prizes	7,293	9,102
Retailers Fees	3,999	4,237
Players Registration Service Fee	180	471
Other Revenue	78	78
	11,550	13,888

For the year ended 30 June 2011

6. LOTTERIES OPERATIONS

	Note	2011 \$000	2010 \$000
Employee Benefits Expense	21	13,952	13,337
Depreciation and Amortisation Expense	22	5,878	5,638
Telecommunications and Gaming Computer Expense		5,095	3,620
Sales, Marketing and Distribution Expense		14,333	14,323
Other Expense		4,448	4,527
		43,706	41,445

7. COMMUNITY GRANTS AND 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.

	Note	2011 \$000	2010 \$000
Employee Benefits Expense	21	3,313	3,207
Depreciation and Amortisation Expense	22	211	210
Other Administrative Expense		2,533	2,325
		6,057	5,742

8. 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.

	2011 \$000	2010 \$000
Hospital Fund	101,012	103,818
Arts Lotteries Account	12,627	12,977
Sports Lotteries Account	12,627	12,977
Perth International Arts Festival	5,228	5,256
Western Australian Commercial Film Industry	6,863	5,030
Direct Grants	101,978	99,567
	240,335	239,625
Less Grants Not Taken Up	(1,582)	(4,822)
	238,753	234,803

9. GRANTS FROM STATE GOVERNMENT

	2011 \$000	2010 \$000
GST reimbursement for gambling margin (see note 2(t))	27,275	28,056

10. INVENTORIES

	2011 \$000	2010 \$000
Inventories Held for Sale – Instant Lottery Tickets	301	1,126

Notes to the Financial Statements



For the year ended 30 June 2011

11. RECEIVABLES

	2011 \$000	2010 \$000
Current		
Lotterywest Licencees	3,584	6,311
GST Receivable	2,376	1,744
Accrued Interest	1,451	1,152
Other Debtors	35	7,955
Allowance for Impairment of Receivables (a)	(40)	(40)
	7,406	17,122

(a) The allowance for impairment of receivables relates to an isolated receivable amount. No receivables (including other debtors and accrued income) were past due or impaired at statement of financial position date. All Lotterywest Licencees receivables are collected in the week immediately after the previously week's transactions through a direct debit banking system and this is consistent with prior year's receivables.

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.

12. HELD TO MATURITY FINANCIAL ASSETS

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

	2011 \$000	2010 \$000
Current Investments (maturity less than 1 yr)		
Short Term Products	206,341	204,461
Floating Rate Notes	—	22,000
	206,341	226,461
Non Current Investments (maturity more than 1 yr)		
Floating Rate Notes	49,545	42,544

13. WORK IN PROGRESS

	2011 \$000	2010 \$000
Other Projects	438	6,062

This represents mainly software and development costs incurred for the information technology projects. These costs are carried forward to the extent that they represent probable future economic benefits and are capitalised when the assets are in use.

14. PROPERTY, PLANT AND EQUIPMENT

	2011 \$000	2010 \$000
Land at Fair Value (a)	5,780	4,193
Buildings at Fair Value (a)	7,358	7,981
Works of Art at Fair Value	78	78
Leasehold Improvements at Cost Less Accumulated Depreciation	1,440 (545)	1,167 (412)
	895	755
Equipment & Fittings at Cost Less Accumulated Depreciation	5,087 (3,253)	4,884 (2,509)
	1,834	2,375
Computer Equipment at Cost Less Accumulated Depreciation	14,249 (9,345)	13,742 (6,963)
	4,904	6,779
Total Net Book Value of Property, Plant & Equipment	20,849	22,161

(a) All land and buildings were revalued in accordance with an independent valuation report dated 1 July 2010 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 2010) were compliant with fair value at 30 June 2011. 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 *Property, Plant and Equipment*.

Notes to the Financial Statements



For the year ended 30 June 2011

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
2011	\$000	\$000	\$000	\$000	\$000	\$000
Carrying Amount at Start of Year	4,193	7,981	755	2,453	6,779	22,161
Additions	—	—	273	204	507	984
Revaluation	1,587	(623)	—	—	—	964
Depreciation	—	(170)	(133)	(745)	(2,382)	(3,430)
Depreciation write back on revaluation	—	170	—	—	—	170
Carrying Amount at End of Year	5,780	7,358	895	1,912	4,904	20,849

	Land	Buildings	Leasehold Improvements	Equipment & Fittings And Works of Art	Computer Equipment	Total
2010	\$000	\$000	\$000	\$000	\$000	\$000
Carrying Amount at Start of Year	4,693	8,900	865	2,680	8,940	26,078
Additions	—	—	8	509	208	725
Revaluation	(500)	(919)	—	—	—	(1,419)
Depreciation	—	(185)	(118)	(736)	(2,369)	(3,408)
Depreciation on Disposals	—	—	—	—	—	—
Depreciation write back on revaluation	—	185	—	—	—	185
Carrying Amount at End of Year	4,193	7,981	755	2,453	6,779	22,161

15. INTANGIBLE ASSETS

	2011 \$000	2010 \$000
Computer Software	36,129	23,905
Less Accumulated Amortisation	(7,083)	(4,424)
	29,046	19,481

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 2011 \$000	Computer Software 2010 \$000
Carrying Amount at Start of Year	19,481	21,750
Additions	12,224	171
Amortisation Expense	(2,659)	(2,440)
Carrying Amount at End of Year	29,046	19,481

16. IMPAIRMENT OF NON-CURRENT ASSETS

There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2011.

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

All surplus assets as at 30 June 2011 have either been classified as non-current assets held for sale or written off.

17. PAYABLES

	2011 \$000	2010 \$000
Current Prizes		
Unclaimed Prizes in Current Year	24,051	36,313
Community Grants		
Hospital Fund	1,404	2,390
Arts Lotteries Account	324	698
Sports Lotteries Account	324	698
Direct Grants	127,631	135,313
	129,683	139,099
Other		
Trade Creditors	3,267	5,503
Other Creditors and Accruals	5,478	340
	8,745	5,843
	162,479	181,255
Non Current Prizes		
Unclaimed Prizes in Future Years	450	500
Total Payables	162,929	181,755

Notes to the Financial Statements



For the year ended 30 June 2011

18. PROVISIONS

		2011 \$000	2010 \$000
Current			
Employee Benefits Provision			
Annual Leave	(a)	1,801	1,724
Long Service Leave	(b)	1,889	2,068
Other Provisions			
Employee On Costs	(c)	527	607
Bonus Prizes	(d)	14,087	12,451
		18,304	16,850
Non-Current			
Employee Benefits Provision			
Long Service Leave	(b)	538	183
Superannuation Entitlements	(e)	190	119
Other Provisions			
Employee On Costs	(c)	150	29
		878	331
Total Provisions		19,182	17,181

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2011 \$000	2010 \$000
Within 12 months of the end of the reporting period	1,300	1,400
More than 12 months after the reporting period	501	324
	1,801	1,724

(b) Long service leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2011 \$000	2010 \$000
Within 12 months of the end of the reporting period	850	800
More than 12 months after the reporting period	1,577	1,451
	2,427	2,251

(c) The settlement of annual leave and long service leave gives rise to the payment of employment on-costs including workers compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 6 'other expense'.

(d) Provision for Bonus Prizes consists of amounts set aside for future bonus draws to promote sales.

(e) 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.

Pre-transfer Benefit Gold State Superannuation Scheme

	2011 \$000	2010 \$000
Current Service Cost	—	—
Interest Cost (Unwinding of the Discount)	77	16
Net Actuarial Losses (Gains) Recognised	(6)	(202)
	71	(186)
The amounts recognised in the Statement of Financial Position are as follows:		
Present Value of Unfunded Obligations	190	119
Liability in the Statement of Financial Position	190	119
Reconciliation of the unfunded liability recognised in the Statement of Financial Position is as follows:		
Liability at the Start of the Year	119	305
Current Service Cost	—	—
Interest Cost (Unwinding of Discount)	77	16
Net Actuarial Losses (Gains) Recognised	(6)	(202)
Liability at the End of Year	190	119

Lotterywest has no liability or expense under AASB 119 *Employee Benefits* arising from the pension scheme.

Notes to the Financial Statements

For the year ended 30 June 2011

Principal Actuarial Assumptions Used

	2011 %	2010 %
Gold State Super		
Discount Rate (Active Members)	5.3	5.8
Expected Salary Increase Rate	4.5	4.5

The discount rate is based on the 10 year Government bond rate. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

Movements in Other Provisions

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

	2011 \$000	2010 \$000
Bonus Prizes		
Carrying Amount at Start of Year	12,451	14,583
Additional Provisions Recognised	24,657	25,374
Transferred to Bonus Prizes	(23,021)	(27,506)
Carrying Amount at End of Year	14,087	12,451
Employment On-Cost Provision		
Carrying Amount at Start of Year	636	493
Additional Provisions Recognised	2,257	2,532
Payment/Other Sacrifices of Economic Benefit	(2,216)	(2,389)
Carrying Amount at End of Year	677	636

19. SALES IN ADVANCE

	2011 \$000	2010 \$000
Monies received in advance for future draws	5,217	3,741



20. EQUITY

	2011 \$000	2010 \$000
Reserves		
Asset Revaluation Reserves (a)		
Balance at Start of Year	7,239	8,472
Asset Revaluation Increment/(Decrement)	1,134	(1,233)
Balance at the end of the period	8,373	7,239
Retained Earnings (b)		
Balance at Start of the Year	138,390	141,046
(Loss) for the Period	(14,246)	(2,656)
Balance at the end of the period	124,144	138,390
Total Equity	132,517	145,629

(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 statement of financial position date

21. EMPLOYEES BENEFITS EXPENSES

	2011 \$000	2010 \$000
Lotteries Operation		
Wages and Salaries	10,962	11,060
Superannuation (a)	1,364	1,111
Long Service Leave (b)	456	362
Annual Leave (b)	1,170	804
	13,952	13,337
Community Grants and Development Operations		
Wages and Salaries	2,714	2,641
Superannuation (a)	312	282
Long Service Leave (b)	16	88
Annual Leave (b)	271	196
	3,313	3,207

(a) Superannuation contribution plans include West State, Gold State, and GESB Super Scheme (contribution paid)

(b) Includes a superannuation contribution component

For the year ended 30 June 2011

22. DEPRECIATION AND AMORTISATION EXPENSE

	2011 \$000	2010 \$000
Depreciation		
Buildings	170	185
Computer Equipment	2,382	2,369
Furniture and Fittings	246	211
Plant and Equipment	499	524
Total Depreciation	3,297	3,289
Amortisation		
Leasehold Improvements	133	118
Intangible Assets	2,659	2,441
Total Amortisation	2,792	2,559
Total Depreciation and Amortisation	6,089	5,848
Attributable to Lotteries Operations	5,878	5,638
Community Grants and Development Operations	211	210

23. 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:

	2011 \$000	2010 \$000
Legal Services	31	22

24. REMUNERATION OF AUDITOR

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

	2011 \$000	2010 \$000
Auditing the accounts, financial statements and performance indicators	107	109

25. 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:

	2011 No.	2010 No.
\$1 – \$10,000	—	1
\$10,001 – \$20,000	—	1
\$20,001 – \$30,000	1	2
\$30,001 – \$40,000	4	3
\$40,001 – \$50,000	—	1
\$60,001 – \$70,000	1	—
	6	8
Total Remuneration of the Members of the Accountable Authority	\$224,289	\$218,886

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:

	2011 No.	2010 No.
\$90,001 – \$100,000	—	1
\$110,001 – \$120,000	1	—
\$140,001 – \$150,000	—	2
\$150,001 – \$160,000	1	3
\$160,001 – \$170,000	3	1
\$170,001 – \$180,000	1	—
\$210,001 – \$220,000	1	—
\$250,001 – \$260,000	—	1
\$280,001 – \$290,000	1	—
	8	8
Total Remuneration of Senior Officers	\$1,433,655	\$1,281,996

For the year ended 30 June 2011

26. NOTES TO THE STATEMENT OF CASH FLOWS**Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to related items in the Statement of Financial Position as follows:

	2011 \$000	2010 \$000
Cash and Cash Equivalents		
Cash at Bank	208	13,047
Cash on Hand	5,711	302
Total Per Statement of Cash Flows	5,919	13,349
Reconciliation of Profit to Net Cash Flows provided by Operating Activities		
	2011 \$000	2010 \$000
Profit/(Loss) for the Period	(14,246)	(2,656)
Non cash items		
Depreciation and Amortisation Expense	6,089	5,848
Statutory Grants	126,265	129,772
GST Recoup Revenue	(27,275)	(28,018)
(Increase)/decrease in assets		
GST Reimbursement Receivable	(345)	(3,943)
Trade Debtors	10,564	30,815
Other Debtors and Prepayments	82	(7,953)
Work-in-Progress	5,624	(5,374)
Inventories	825	(532)
Accrued Interest	(300)	(310)
Increase/(decrease) in liabilities		
Sales in Advance	1,475	213
Direct Grants	(7,682)	19,832
Unclaimed Prizes Payable	(12,310)	4,623
Trade Creditors	1,876	(489)
Other Creditors and Accruals	1,026	(14,083)
Current Provisions	295	1,615
Non Current Provisions	71	(761)
Prize Provision	1,636	(2,132)
Net GST Receipts/Payments	(28,252)	(29,539)
Change in GST Receivables/Payables	27,620	31,961
Net Cash Provided by Operating Activities After Cash Flows to State Government (Excluding Investing Activities)	93,038	128,889

27. 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 interest payments or capital repayments resulting in financial losses to Lotterywest.

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

- 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.
- Current exposure to counterparties: Lotterywest deals mainly with major banks and financial institutions. The average exposure to these counterparties was \$331.5 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.
- 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 table 27.) Lotterywest invests in the debt markets. Lotterywest has no borrowings. Other than as detailed in the interest rate sensitivity analysis table Lotterywest has limited exposure to interest rate risks.

For the year ended 30 June 2011

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 remote probability of capital losses.

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 Statement of Financial Position date are as follows:

	2011 \$000	2010 \$000
Financial Assets		
Cash and Cash Equivalents	5,919	13,349
Receivables (a)	5,030	15,378
Other Financial Assets Held-to-Maturity	255,886	269,005
Financial Liabilities		
Payables	162,929	181,755

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

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 statement of financial position date. Lotterywest's maximum exposure to credit risk at the statement of financial position 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 statement of financial position 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

	Interest Rate Exposure				Past Due But Not Impaired					Impaired Financial Assets
	Carrying Amount	Weighted Average Interest Rate	Variable Interest Rate	Non- Interest Bearing	Within 1 Year	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	
2011	\$000	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets										
Cash and Cash Equivalents	5,919	4.62%	5,919	—	5,919	—	—	—	—	—
Receivables	5,030	—	—	5,030	5,030	—	—	—	—	40(a)
Other Financial Assets Held-to-Maturity	255,886	5.74%	255,886	—	206,341	22,500	14,000	5,045	8,000	—
	266,835		261,805	5,030	217,290	22,500	14,000	5,045	8,000	40(a)

	Interest Rate Exposure				Past Due But Not Impaired					Impaired Financial Assets
	Carrying Amount	Weighted Average Interest Rate	Variable Interest Rate	Non- Interest Bearing	Within 1 Year	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	
2010	\$000	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets										
Cash and Cash Equivalents	13,349	3.63%	13,349	—	13,349	—	—	—	—	—
Receivables	15,378	—	—	15,378	15,378	—	—	—	—	40(a)
Other Financial Assets Held-to-Maturity	269,005	4.43%	269,005	—	226,461	22,500	14,000	5,044	1,000	—
	297,732		282,354	15,378	255,188	22,500	14,000	5,044	1,000	40(a)

(a) Refer to note 11(a)

Notes to the Financial Statements



For the year ended 30 June 2011

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities.

	Interest Rate Exposure					Maturity Date				
	Carrying Amount	Weighted Average Interest Rate	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Adjustment For Discounting	Total Nominal Amount	Up to 3 Months	3-12 Months	1-2 Years
2011	\$000	%	%	%	\$000	\$000	\$000	\$000	\$000	\$000
Financial Liabilities										
Payables	162,479	—	—	—	162,479	—	—	162,479	—	—
	162,479	—	—	—	162,479	—	—	162,479	—	—

	Interest Rate Exposure				Maturity Rate					
	Carrying Amount	Weighted Average Interest Rate	Variable Interest Rate	Non-Interest Bearing	Within 1 Year	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Impaired Financial Assets
2010	\$000	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Liabilities										
Payables	181,755	—	—	—	181,755	—	—	181,755	—	—
	181,755	—	—	—	181,755	—	—	181,755	—	—

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of Lotterywest's financial assets at the statement of financial position date. As all investments are represented by floating rate debt without hedging, exposure to interest rate movements is only influenced by the maturity dates of investments. For the purposes of the sensitivity analysis, timing is not a factor in the application of an interest rate increase or decrease. The sensitivity analysis provided is a movement of - 0.5% and 1%.

As at 30 June 2011 the cash rate is 4.75% and current market expectations are for a further 0.5% increase in interest rates within the 2011/2012 financial year.

	Carrying amount \$000	-0.5 % Change (Loss) \$000	+1% Change Profit \$000
2011			
Financial Assets			
Cash and Cash Equivalents	5,919	(30)	59
Other Financial Assets	255,886	(1,279)	2,559
Receivables	5,030	—	—
Financial Liabilities			
Payables	162,929	—	—
Total Increase/(Decrease)		(1,309)	2,618

	Carrying amount \$000	-0.5 % Change (Loss) \$000	+1% Change Profit \$000
2010			
Financial Assets			
Cash and Cash Equivalents	13,349	(67)	133
Other Financial Assets	269,005	(1,345)	2,690
Receivables	15,378	—	—
Financial Liabilities			
Payables	181,755	—	—
Total Increase/(Decrease)		(1,412)	2,823

Fair value

All financial assets and liabilities recognised in the Statement of Financial Position, 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.

28. WRITE-OFFS

	2011 \$000	2010 \$000
Public Property Written-Off by the Governor General	—	305

This relates to a debt owing by a retailer who is no longer in the network. Please see note 11(a).

For the year ended 30 June 2011

29. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

In addition to the assets and liabilities included in the financial statements, Lotterywest has no other contingent assets and contingent liabilities.

30. SCHEDULE OF INCOME AND EXPENSE BY SERVICE

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	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000
INCOME						
Sales	683,344	701,483	—	—	683,344	701,483
Interest Income	18,801	14,687	—	—	18,801	14,687
Other Revenue	11,550	13,888	—	—	11,550	13,888
Total Income	713,695	730,058	—	—	713,695	730,058
EXPENSES						
Expenses from Lotteries Operations						
Cost of Sales	466,700	478,780	—	—	466,700	478,780
Lotteries Operations	43,706	41,445	—	—	43,706	41,445
Community Grants and Development Operations	—	—	6,057	5,742	6,057	5,742
Total Expenses	510,406	520,225	6,057	5,742	516,463	525,967
Profit/(Loss) before Community Grants	203,289	209,833	(6,057)	(5,742)	197,232	204,091
Grants from State Government	27,275	28,056	—	—	27,275	28,056
Less Grants Transfer	(230,564)	(237,889)	230,564	237,889	—	—
Amount Available for Distribution	—	—	224,507	232,147	224,507	232,147
Total Community Grants	—	—	238,753	234,803	238,753	234,803
Net (Loss) for the period	—	—	(14,246)	(2,656)	(14,246)	(2,656)

31. 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 2011 (or prior year ended 30 June 2010).

32. 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	2011 \$000	2010 \$000
Capital Expenditure Commitments		
Not later than one year	—	3,000
Operating Expenditure Commitments	(a)	
Maintenance Support for Enterprise Resources Planning & Online Gaming system		
Not later than one year	1,174	1,157
Later than one year but not later than five years	—	1,157
	1,174	2,314

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:

Note	2011 \$000	2010 \$000
Non Cancellable Property Lease Commitments	(b)	
Not later than one year	304	304
Later than one year but not later than five years	1,217	1,217
Later than five years	127	431
	1,648	1,952
Cancellable Operating Lease Commitments	(c)	
Not later than one year	92	117
Later than one year but not later than five years	47	67
	139	184
Total Commitments	2,961	7,450

- (a) This relates to the yearly maintenance support fee for the operation of the Enterprise Resources Planning and Online Gaming system.
- (b) 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 and market review for every two years thereafter.
- (c) 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.

33. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There have been no events subsequent to the end of the reporting period which would have a material effect on Lotterywest's financial statements at 30 June 2011.

For the year ended 30 June 2011

34. 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 2010/11
and Actual Revenues and Expenditures for 2009/10**

	Note	2011 Actual \$000	2010 Actual \$000	Variance \$000
Revenue				
Sales	34.1	683,344	701,483	(18,139)
Less: Cost of Sales				
Prizes	34.2	383,415	392,952	9,537
Retailers' Commission	34.2	56,010	57,772	1,762
Goods and Services Tax		27,275	28,056	781
Total Cost of Sales		466,700	478,780	12,080
Trading Profit		216,644	222,703	(6,059)
Other Revenue				
Interest	34.3	18,801	14,687	4,114
Forfeited Prizes	34.4	7,293	9,102	(1,809)
Retailer Fees		3,999	4,237	(238)
Player Registration Service Fee		180	471	(291)
Other		78	78	—
Total Revenues from Lottery Activities		30,351	28,575	1,776
Expenses				
Lotteries Operations	34.5	43,706	41,445	(2,261)
Community Grants & Development Operations		6,057	5,742	(315)
Total Expenses from Lottery Activities		49,763	47,187	(2,576)
Profit before Community Grants		197,232	204,091	(6,859)
Total Community Grants				
Direct Grants	34.6	112,486	105,031	(7,455)
Hospital Fund	34.6	101,013	103,818	2,805
Sport/Arts Lotteries Accounts	34.6	25,254	25,954	700
Total Community Grants		238,753	234,803	(3,950)
GST Reimbursement for Gambling Margin		27,275	28,056	(781)
Net Profit/(Loss)		(14,246)	(2,656)	(11,590)

34.1 Sales

Lotterywest's sales revenue for the 2010/11 financial year was \$18.1 million (2.6%) less in comparison with last year. The absence of high jackpots for OZ Lotto and Powerball as well as the general economic and retail environment contributed to this year's sales results.

34.2 Cost of Sales

Prize allocation and commission paid to retailers for selling products are directly linked to sales. The 2.6% decrease in sales over the previous year resulted in a proportionate decrease in prizes and retailers' commission.

34.3 Interest

Investment Income for the 2010/11 financial year was \$18.8 million against the previous years income of \$14.7 million. The average fund size was \$327.7 million with an average return of 5.72% against a benchmark rate of 4.76%. During the year there was one increase in official interest rates, on 3 November 2010, from 4.5% to 4.75%. The performance of the investment fund is due to financial institutions offering very competitive interest rates as a consequence of liquidity issues and the fall out from the global financial crisis. Lotterywest treasury also took a view that interest rates would remain on hold and took advantage of longer term rates which were factoring in interest rate rises.

34.4 Forfeited Prizes

Under the Lotteries Commission Act 1990 (as amended), players have 12 months to claim a lottery prize. If the prize is not claimed within that period, the prize is forfeited. Forfeited prizes are included in the pool of funds that become available for distribution to the Western Australian community through Lotterywest's direct grants program. The decrease in forfeited prizes is largely the return to average levels following a higher than average amount last year due to the increased volume of Scratch'n'Win games being completed with the 12 month claim period expiring in the 2009/2010 year and the division one prize for Saturday Lotto of \$0.82 million not being claimed.

34.5 Lotteries Operations

Operational expenses for the 2010/11 financial year were \$2.2 million (5.4%) higher than last year. This is attributable to an increase in costs for managing our Information Systems as the new enterprise systems became operational following implementation, higher salary costs due to the return of staff to operational activities following the completion of long term projects and a marginal increase in various consumable items including, for example, ticket rolls for retail terminal printers.

34.6 Total Community Grants

Statutory funding to Hospitals, Sports and the Arts is distributed according to section 22 of Lotteries Commission Act 1990 (as amended) and is directly linked to the level of sales recorded. The 2.6% decrease in sales in the 2010/2011 financial year resulted in the proportionate decrease in funding allocations.

Direct Grants are distributed according to sections 19 and 24 of the Lotteries Commission Act 1990 (as amended). The increase in funds available to the community in the form of direct grants in the 2010/11 financial year reflects the distribution of accumulated reserves, as is allowed for by the Lotteries Commission Act 1990, to meet increasing demand from charitable and community organisations for financial support.

Notes to the Financial Statements

For the year ended 30 June 2011

OPERATING BUDGET

In accordance with the Treasurer's Instruction 953, this statement shows the 2011/12 Budget estimate for the Income Statement. This statement is not subject to audit. The Minister approved the budget in June 2011.

	2012 Budget \$000	2011 Actual \$000	Variance \$000
INCOME			
Revenue			
Sales	715,819	683,344	32,475
Interest Revenue	16,000	18,801	(2,801)
Other Revenue	10,389	11,550	(1,161)
Total Income	742,208	713,695	28,513
EXPENSES			
Expenses			
Cost of Sales	488,633	466,700	(21,933)
Lotteries Operations	48,520	43,706	(4,814)
Community Grants and Development Operations	6,600	6,057	(543)
Loss on Disposal of Non-Current Assets	—	—	—
Community Grants	243,237	238,753	(4,484)
Total Expenses	786,990	755,216	(31,774)
Loss Before Grants from State Government	(44,782)	(41,521)	(3,261)
Grant from State Government	28,603	27,275	1,328
(Loss) for the Period	(16,179)	(14,246)	(1,933)

Five Year Summary of Financial Data



For the year ended 30 June 2011

NOTES TO THE BUDGET

Lotterywest's budget for the fiscal year 2011/2012 was established based on meeting business objectives for the coming year whilst acknowledging the current economic and retail environment.

The sales budget for 2011/2012 of \$715.8 million represents growth of 4.8% on the sales result for 2010/2011. The level of growth represents a challenging task for Lotterywest as the increase is expected from the existing games in a relatively mature market.

Planned business initiatives, mainly in the area of marketing communications, game changes and retail management are expected to address the current sales trends and deliver the sales budget for the 2011/2012 financial year.

The community funding budget for 2011/2012 totals \$243.2 million and includes funding to Hospitals of \$106.0 million, Sports \$13.3 million, Arts \$13.3 million and direct grants \$110.7 million. In total, funding to the community represents 34% of gross sales with a budgeted increase of \$4.6 million over the allocation in 2010/2011.

Lotterywest's operational expense budget of \$55.1 million represents an increase of \$4.3 million over 2010/2011. The increase in costs is primarily a result of two factors; a planned refresh of the corporate and grant advertising; and, an increase in staffing costs. The increase in staffing costs follows changes to the public sector Salaries Award Agreement and the return of staff to operational activities following the completion of long term projects.

The budgeted net result of a \$16.2 million deficit is based on the strategic decision to distribute accumulated reserves as is allowed for by the Lotteries Commission Act 1990 (as amended) and allocate additional funding through the direct grants program. Lotterywest will maintain sufficient reserve levels to allocate and manage this additional funding in a phased approach and will monitor funding activity regularly.

Direct Grants Summary

Comprehensive Income Statement	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Budget
	\$000	\$000	\$000	\$000	\$000
Sales Revenue	654,129	724,859	701,483	683,344	715,819
Less Cost of Sales					
Prizes	368,130	406,395	392,952	383,415	401,181
Retailers' Commission	53,530	59,525	57,772	56,010	58,849
Add Other Revenue					
Interest	19,826	16,275	14,687	18,801	16,000
Forfeited Prizes	7,158	6,887	9,102	7,293	5,727
Retailer Fees	3,723	4,284	4,237	3,999	4,162
Player Registration Service	127	530	471	180	500
Loss on Disposals of Non Current Assets	—	(4)	—	—	—
Other	385	194	78	78	—
Net Revenue	263,688	287,105	279,334	274,270	282,178
Less Expenses					
Operating Expenses	46,483	49,301	47,187	49,763	55,120
Profit	217,205	237,804	232,147	224,507	227,058
Less Community Grants	205,514	233,788	234,803	238,753	243,237
Net Profit/(Loss)	11,691	4,016	(2,656)	(14,246)	(16,179)
Assets					
Other Financial Assets	227,101	253,677	269,005	255,886	252,845
Other Current Assets	17,725	46,411	31,597	13,627	15,729
Non Current Assets	44,708	48,516	47,704	50,333	43,544
Total Assets	289,534	348,604	348,306	319,846	312,118
Liabilities	144,975	199,086	202,677	187,329	195,780
Net Assets	144,559	149,518	145,629	132,517	116,338

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.

Lotterywest Grant List



	Requests Approved		Amount Granted	
	2011	2010	2011	2010
	No.	No.	\$000	\$000
Total requests on agenda	1,410	1,507	132,191	122,825
Total approved requests	1,366	1,465	114,069	109,853
Total requests not approved	44	42	4,273	1,686

Direct Grants Program Summary

	Requests Approved		Amount Granted	
	2011	2010	2011	2010
	No.	No.	\$000	\$000
Community Cultural	274	274	4,435	4,159
Community Sector Development	96	94	2,413	2,008
Community Support and Development				
Community Facilities	122	130	22,973	15,509
Community Support	197	218	13,190	23,565
Community Support – Specific	—	9	—	23
Emergency Relief	102	104	3,611	3,118
Emergency Services	37	44	4,517	2,674
Social Research	4	6	1,312	672
Special Initiatives	27	27	7,722	12,583
Cultural & Natural Heritage				
Cultural Heritage	102	117	3,266	3,947
Natural Heritage	31	47	924	2,670
Priority Groups with Special Needs				
Indigenous People	41	54	6,791	7,329
Children	94	126	4,725	4,322
People with Disabilities	119	102	12,677	9,404
Seniors	63	60	3,687	2,114
Young People	55	51	11,184	5,470
Statutory Allocations as recommended by the Commission				
Perth International Arts Festival	1	1	5,413	5,256
Film Industry	1	1	5,229	5,030
Total Net Grant Approvals			114,069	109,853

Lotterywest Grant List



Organisation Name	Amount Granted	Organisation Name	Amount Granted
Aboriginal Communities Charitable Organization Inc	192,991	Association of Nimba Citizens, WA Inc	3,000
Abruzzese Emmigrant Association of Australia Inc	67,000	Association of Volunteer Bush Fire Brigades of WA Inc	266,903
Access Housing Australia Ltd	200,000	Asthma Foundation of WA Inc	91,646
Activ Foundation Inc – Busselton Accommodation Service	4,500	Augusta Chamber of Commerce Inc	10,600
Activ Foundation Inc	17,758	Augusta Margaret River Tourism Association Inc	14,000
Adoption Research and Counselling Service Inc	14,717	Augusta River Festival Inc	9,094
Advocacy South West Inc	42,553	Augusta Volunteer Sea Rescue Group	6,606
Advocare Inc	10,000	Australasian Hydrographic Society	10,300
Aged & Community Services WA Inc	50,122	Australia Day Committee	9,757
Agelink Theatre Inc	2,900	Australian Army Cadets Association WA Inc	75,515
Agencies for South West Accommodation Inc	40,000	Australian Association for Environmental Education WA Chapter Inc	14,685
Agola Kapuk Community Association of WA Inc	7,728	Australian Dance Council – Ausdance WA Branch Inc	13,350
Albany City Wind Ensemble Inc	34,806	Australian Family Association – WA Branch	9,337
Albany Community Care Centre WA Inc	11,070	Australian Federation of Totally & Permanently Incapacitated Ex-Servicemen & Women WA Branch Inc	3,600
Albany Golf Club	12,300	Australian Kidney Foundation	45,564
Albany Kindergarten Association – Lower King Community Kindergarten	30,215	Australian Pensioners and Superannuants League WA Inc	2,177
Albany Occasional Child Care Centre Inc	23,036	Australian Red Cross Society – WA Division	40,174
Albany Parkinsons Disease Support	2,731	Australian Red Cross WA Division – Lady Lawley Cottage	112,238
Albany Photographic Society Inc	4,587	Australian Science Communicators – WA	14,831
Albany Playgroup Inc	14,685	Australian Sports Medicine Federation Western Australian Branch Inc	13,500
Albany Sea Rescue Squad Inc	24,638	Australian-Asian Association of WA Inc	34,500
Albany Secondary Education Support Centre Bush Rangers WA Cadet Unit	13,364	Australind Senior High School Emergency Services Cadet Unit	14,100
Albany Surf Life Saving Club	150,000	Autism Association of WA Inc	35,923
Albany Youth Support Association Inc	24,337	Autism West Support Inc	31,790
Alliance Francaise De Perth	10,000	Autumn River Events Association Inc	20,000
Alternative Technology Association Inc	20,000	Avon Valley Environmental Society Inc	30,670
Alzheimer's Australia WA Ltd – Hawthorn Community Respite House Albany	407,583	Avon Youth Community and Family Services Inc	128,246
Amana Living Inc	232,236	Avondale Farm Project Association Inc	9,375
Amanda Young Foundation Ltd	20,210	AWESOME Arts Australia Ltd	13,891
ANFE Fremantle Inc	14,325	Badgingarra Community Centre Association Inc	3,868
Anglicare WA Inc – Foyer Oxford	303,124	Balga Autumn Club Inc	7,236
Anglicare WA Inc	1,407,000	Bali Peace Park Association Inc	1,000
Animal Protection Society of WA Inc	5,585	Bangladesh Australia Association of WA Inc	12,272
Apace Aid	156,568	Baptist Union of WA – Mt Barker	6,600
Araluen Botanic Park Foundation Inc	23,400	Baptist Union of WA Inc – Kobeelya Conference Centre	114,000
Ardross Primary School – River Rangers	14,730	Bayswater Organisation of Loan Toys Inc	8,396
Armada Christian College Red Cross Cadets	12,463	Beacon Central Community Resource Centre Inc	8,636
Armada Consumer Advisory Group	9,411	Beacon Playgroup	4,787
Armada Gosnells and Districts Youth Resources Inc	68,260	Beacon Progress Association Inc	18,528
Armada Home Help Service for the Aged and the Disabled	233,000	Beacon Theatre Arts Club	9,197
Armada Volunteer Fire Brigade – Armada Cadet Unit	5,765	Beanang Kwuurt Institute	113,300
Army Museum of WA Foundation	500,000	Beaufort Street Network Inc	14,400
Artatac – Busselton Beach Festival Inc	18,129	Belswan Pinjarra Social Club	12,478
Arthritis Foundation of WA Inc	11,463	Belswan Residents Social Club	4,937
Artrage Inc	800,000	Bencubbin Community Recreation Council	16,270
Arts and Culture Goldfields Association Inc	10,670	Benedictine Community of New Norcia	995,653
Arts Margaret River Inc	41,500	Bentley Seniors Club Inc	1,920
Association for Services to Torture and Trauma Survivors (ASeTTS) Inc	14,807	Bethanie Group Inc – Bethanie House Bunbury	55,000
Association for the Blind of WA Inc	499,875	Bibbulmun Track Foundation Inc	66,078
Association Of Extremely Disabled War Veterans' WA Branch Inc	11,000	Bicton Men's Shed Inc	15,000
		Bi-Tone Westcoast Caravan Club Inc	2,400

Black Swan State Theatre Company Ltd	195,400	Busselton Volunteer Marine Rescue Group Inc	39,360
Bloodwood Tree Association Inc	16,000	Calvary Youth Services Mandurah Inc	20,461
Blue Sky Community Group Inc	12,000	Canning Coalition Inc	15,000
Blues at Bridgetown Inc	20,000	Canning Division of General Practice Ltd	30,000
Boab Festival At Derby	20,820	Canning Vale Prekindy Inc	10,608
Boddington Community Newsletter Inc	9,809	Canteen – The Australian Organisation for Young People Living with Cancer	5,455
Boogurlari Community House	20,500	Cape Mountain Bikers Inc	15,000
Boxwood Hill Combined Sports Club Inc	39,303	Capel Fest Inc	20,000
Breast Cancer Care WA Inc	72,543	Care Options Inc	354,757
Bremer Bay Sports Club Inc	57,835	Carers Association of WA Inc	214,435
Bremer Bay Volunteer Marine Rescue Service Inc	11,432	Carewest Association of Community Based Children's Services WA Inc	25,256
Bridge Builders Ministries Inc	1,000	Carnarvon Family Support Service Inc	37,700
Bridgetown Community Resource Centre Inc	20,933	Carnarvon Lotteries House Inc	5,927
Bridgetown Playgroups	7,410	Carnarvon Volunteer Sea Rescue Group Inc	37,501
Bridging the Gap Inc	95,702	Catch Music Inc	130,955
Brightwater Care Group Inc	575,280	Catholic Education Commission of WA Trustees – Liwara Outside School Hours Care	7,882
Brightwater Care Group Inc – Birralee	23,700	CEBS – The Anglican Boys Society WA Inc	2,000
Brightwater Care Group Inc – Oats Street	3,756,628	Celebrate WA Inc	234,653
Bringing Them Home Committee WA Inc	16,200	Centacare Kimberley Association Inc	30,000
Brookton Community Services Inc	17,105	Central Agcare Inc	15,850
Broome Community Information Resource Centre and Learning Exchange	65,080	Central Desert Native Title Services Ltd	65,000
Broome Lotteries House Inc	56,147	Centre for Advocacy Support & Education For Refugees Inc	15,000
Broome Out Of School Care Childrens Activities Inc	48,947	Centrecare Inc	60,200
Broome Over 50s Senior Citizens Club Inc	8,780	Centrepont Church Inc	16,987
Broomehill Recreational Complex Inc	9,091	Cerebral Palsy Association of WA Ltd	184,490
Brownlie Towers Residents Committee Inc	2,599	Champion Lakes Christian Church Inc – Southside Care	24,569
Bruce Rock Playgroup	2,403	CHARGE Syndrome Association of Australasia Ltd	19,801
Bunbury & Districts Meals On Wheels and Senior Citizens Association Inc	1,721	Charity Link Inc	180,000
Bunbury Agricultural Society Inc	11,511	Cheeky Monkeys Playgroup	2,977
Bunbury Diocesan Trustee – Anglican Parish of Denmark	12,500	Chidlow Marsupial Hospital Inc	1,855
Bunbury Diocesan Trustees – Anglican Parish of Bunbury	60,600	Child Inclusive Learning and Development Australia Inc	57,900
Bunbury Diocesan Trustees – Anglican Parish of Busselton	128,805	Childcare Association of WA Inc	5,000
Bunbury Diocesan Trustees – Christs Church, Mandurah	2,750	Choral Association Australia Inc	9,368
Bunbury Diocesan Trustees – St Marys Community Care (Busselton)	22,508	Christian Family Church Inc	9,500
Bunbury Historical Society Inc	7,504	Chrysalis Support Services Inc	81,916
Bunbury Housing Association Inc	36,414	Chung Wah Association	1,000
Bunbury Multicultural Group Inc	12,256	Citizen Advocacy Perth West Inc	5,191
Bunbury Regional Arts Management Board Inc	8,784	Citizen Advocacy South Metropolitan WA Inc	6,925
Bunbury Regional Theatre Inc	67,000	Citizens Advice Bureau of WA Inc	150,536
Bunbury Sea Rescue Inc	30,576	City of Albany	60,000
Bunbury Womens Club	13,421	City of Albany – Albany Entertainment Centre	31,000
Bundiyarra Aboriginal Community Aboriginal Corp – Boomerang Aboriginal Hostel	76,206	City of Albany – Albany Public Library	38,500
Bundiyarra Aboriginal Community Aboriginal Corp Inc	27,455	City of Albany Band Inc	13,171
Burundi Peace Choir Inc	15,000	City of Armadale	109,667
Business Improvement Group of Northbridge (BIGN) Inc	106,850	City of Bayswater – Maylands Multipurpose Centre	7,110,272
Busselton Allsports Inc	20,000	City of Bayswater Child Care Centre Association Inc – Noranda Child Care Centre	59,232
Busselton Bridge Club Inc	8,957	City of Belmont	33,878
Busselton Family Centre Inc	94,683	City of Bunbury	64,524
Busselton Historical Society	1,123	City of Bunbury – King Cottage Museum	64,464
Busselton Jetty Environment & Conservation Association Inc	20,000	City of Cockburn	50,000
Busselton Senior Citizens Centre Inc	7,944	City of Fremantle	66,450

Lotterywest Grant List



City of Fremantle – Fremantle Festival	40,000	Country Roads Caravan Club Inc	2,394
City of Fremantle – Samson Recreation Centre	5,614	Country Women's Association of WA – Wandering Branch	17,499
City of Geraldton – Greenough	287,390	Crana Aboriginal Corporation Beverley	2,490
City of Geraldton – Greenough – Queens Park Theatre	64,000	Cranbrook Tourist and Business Promotion Group	3,535
City of Gosnells	83,981	Cranlana Programme Foundation	15,000
City of Joondalup	151,775	Cross Cultural Christian Communicators Inc	20,000
City of Kalgoorlie-Boulder	51,850	Crosslinks Inc	87,636
City of Mandurah	152,910	Crossways Community Services Inc	35,000
City of Mandurah – Ac-cent Mandurah	184,910	Cultural Infusion Ltd	19,222
City of Melville	19,948	Curtin University of Technology – Kalgoorlie Campus	57,250
City of Melville Citizens Relief Fund	14,500	Cymbidium Orchid Club of WA Inc	10,000
City of Nedlands	15,296	Cystic Fibrosis WA Inc	6,000
City of Nedlands – John Leckie Pavilion	200,000	Dalkeith–Nedlands Bowling Club Inc	11,560
City of Perth	500,000	Dalyellup Beach Community Association Inc	6,000
City of Rockingham	19,298	Dardanup Bull and Barrel Festival Inc	14,515
City of Rockingham – Kent Street Community Arts Centre	285,000	Darlington Arts Festival Association Inc	15,000
City of South Perth	416,000	David Wirrpanda Foundation Inc	60,000
City of Stirling	398,517	Deafness Council, WA Inc	23,700
City of Stirling – Stirling Womens Centre	5,000	Denmark Arts Council	27,408
City of Subiaco	8,908	Denmark Occasional Day Care Centre Inc	17,748
City of Subiaco – Wandana	46,689	Derbarl Yerrigan Health Service Inc	25,272
City of Swan	20,000	Derby State Emergency Service Unit Inc	10,125
City of Wanneroo	109,628	Derby Volunteer Marine Rescue Group Inc	6,334
Clontarf Foundation	14,000	Diabetes Association of WA Inc	344,097
Coalition for Asylum Seekers, Refugees and Detainees Inc	10,000	Doodlakine Community Committee Inc	43,083
Coastal Scottish Pipe Band WA Inc	15,000	Drug Arm WA Inc	219,201
Cockburn Community and Cultural Council	15,000	Dumbarton Aboriginal Corporation	80,148
Collie Country Music Club Inc	5,700	Dumbleyung Toy Library Inc	4,881
Combined Probus Club of Albany Inc	1,454	Dun Craig Senior High School Bush Rangers WA Cadets	11,500
Combined Probus Club of Leeming Inc	1,376	Dunsborough and Districts Progress Association Inc	5,000
Combined Probus Club of Mosman Park Inc	2,950	Dyslexic Centre Australia Inc	15,000
Combined Probus Club of Murdoch Inc	2,495	Earth Solutions – Avon Valley Inc	10,650
Combined Probus Club of Scarborough Beach Inc	1,858	East Pilbara Independence Support Inc	43,895
Communicare Inc	507,706	Eastern Metropolitan Regional Council (EMRC)	250,500
Community Arts Network WA Ltd	200,000	Eastern Region Domestic Violence Services Network Inc	112,628
Community Housing Coalition of WA Inc	30,000	Edmund Rice Camps for Kids WA Inc	20,000
Community Legal Centres Association WA Inc	70,710	Edmund Rice Centre, Mirrabooka Inc	12,268
Community Living Association Inc	2,459	Edmund Rice Institute For Social Justice Inc	20,000
Community Midwifery WA Inc	148,437	El Shaddai Kwinana Christian Fellowship Inc	60,977
Community Sector Services Inc	45,682	ELBA Inc	17,500
Community Vision Inc	20,973	Ellenbrook Combined Probus Club Inc	2,670
Concerned Christians Growth Ministries	26,175	Ellenbrook Cultural Foundation Inc	34,130
Congregation of Vietnamese Buddhists in WA Inc	27,984	Ellenbrook Playgroup Inc	13,805
ConnectGroups – Support Groups Association WA Inc	89,160	Embroiderers Guild of WA	12,408
Conservation Council of WA	21,470	Emergency Services Volunteers Association Inc	12,047
Continence Advisory Service of WA Inc	65,490	Emmaus Community Inc	134,103
Coolgardie Day Celebrations Inc	13,636	Enable Southwest Inc	708,918
Cornerstone Church Inc	42,848	Environmental Defender's Office WA Inc	30,700
Council on the Ageing (WA) Inc	104,924	Environmental Research Group Augusta	5,685
Country Arts WA Inc	496,140	EON Benevolent Fund Inc	41,151
Country Music Club of Boyup Brook, WA Inc	19,708	Esperance Aged Care Facility Inc	30,000

Esperance Christian Family Assembly of God Inc – Esperance Care Services	12,000	Gelganyem Ltd	12,162
Esperance Lotteries House Association Inc	64,711	Gem Camera Club Inc	2,549
Esperance Netball Association	780	Genetic Support Council WA Inc	32,128
Esperance Volunteer Sea Search and Rescue Group Inc	31,679	Geographe Catchment Council Inc	38,940
Ethnic Communities Council of WA Inc	20,000	Geraldton Greenough Sunshine Festival Inc	10,000
Ethnic Disability Advocacy Centre Inc	28,353	Geraldton Lotteries House Board of Management Inc	207,128
Event Assist Inc	14,000	Geraldton Personnel Inc	43,237
Ewin Centre Children Services Inc	38,520	Geraldton Regional Aboriginal Medical Service	77,016
Exmouth Community Support Group Inc	27,000	Geraldton Resource Centre Inc	158,700
Extra Edge Community Services Inc	50,796	Geraldton Volunteer Sea Rescue Group Inc	60,278
Fairbridge Festival Inc	20,000	Gifted and Talented Children's Association of WA	12,053
Fairbridge WA Inc	1,233,622	Gillamii Centre Inc	53,038
Fairholme Disability Support Group Inc	26,550	Girl Guides WA Inc	75,580
Family Planning Association of WA Inc	238,620	Giving West	300,000
FAWNA Inc	6,945	Glen Forrest Community Kindergarten and Family Playgroup Inc	15,000
Federation of Housing Collectives	16,881	Global Care Group (GCG) Inc – Balladong Country Estate	119,531
Federation of WA Police & Community & Cty Youth Ctrs Inc–Bunbury Police Ranger Cadets	7,828	Gnowangerup and District Toy Library Inc	4,445
Federation of WA Police & Community Youth Centres Inc – Kalgoorlie	20,868	Gnowangerup Community Resource Centre Inc	85,756
Federation of WA Police & Community Youth Centres Inc – Fremantle	20,000	Gnowangerup Family Support Association Inc	33,205
Federation of WA Police & Community Youth Centres Inc – Subiaco	20,000	Goldfields Child Care Centre Inc	285,569
Federation of WA Police and Community Youth Centres Inc	408,553	Goldfields Individual and Family Support Association Inc	2,262
Federation of WA Police and Community Youth Centres Inc – Collie	44,292	Goldfields Womens Health Care Association Inc	23,836
Feline Control Council of WA Inc	6,237	Gondwana Link Ltd	55,000
Fellowship of Australian Writers (WA Section)	122,356	Gosnells Community Legal Centre Inc	29,980
Festival of Busselton Inc	10,000	Gosnells Community Lotteries House Inc	21,731
Filipino–Australian Club of Perth Inc	10,199	Gosnells Community Support Service Inc	181,818
Fine Wood Work Association (WA)	3,767	Gosnells Women's Health Service Inc	193,760
Food Rescue Ltd	51,100	Gowrie WA Inc	585,112
Foothills Information and Referral Service Inc	30,000	Grand Lodge of WA of Ancient Free and Accepted Masons Inc – York	29,826
Footprints Community	3,291	Grandparents Rearing Grandchildren WA Inc	1,200
Forest Lakes/Thornlie Family Centre Inc	115,566	Granny Glasgow Association Inc	79,690
Forgotten Australians Coming Together (FACT) Inc	14,945	Grass Valley Progress Association	5,000
Form Contemporary Craft and Design Inc	146,891	Graylands Hospital Volunteer Service Inc	15,000
Forrestdale Community Kindergarten Inc	16,905	Great Southern Community Housing Association Inc	126,132
Foster Care Association of WA Inc	46,250	Greenbushes Eco Cultural Discovery Centre Inc	35,393
Foundation Housing Ltd	45,000	Greenbushes Playgroup	4,650
Foundation Housing Ltd – Oxford Youth Foyer	3,235,558	Greening Australia WA	82,161
Fremantle Bridge Club Inc	15,000	Grow Smart Foundation Ltd	59,821
Fremantle Italian Aged Persons Service Association	1,986	Guilderton Community Association	2,273
Fremantle Multicultural Centre Inc	93,504	Guildford Heritage Festival Council Inc	10,000
Fremantle Volunteer Sea Search and Rescue Group	10,000	Harbourside Village Residents Committee	5,000
Fremantle Womens Health Centre Inc	26,000	Harold Hawthorne Senior Citizens' Centre and Homes Inc	10,189
Friends of Companion Animals Society Inc	10,000	Harvest Lakes Residents' Association Inc	3,075
Friends of Edenvale Inc	14,500	Harvey Health and Community Services Group Inc	2,729
Friends of Kings Park Inc	145,000	Harvey Health and Community Services Group Inc – Family Support Program	10,000
Friends of the Cape to Cape Track Inc	12,200	Harvey Mainstreet Inc	19,051
Friends of the Cockburn Wetlands Education Centre Inc	4,858	Harvey Occasional Child Care Centre Inc	5,000
Friends of Woodman Point Recreation Camp Inc	15,936	Hazel Orme Community Kindergarten Inc	22,675
Fullness of Life Centre Inc	18,587	Headache and Migraine WA Inc	32,560
Garduwa Amboorny Wirman Aboriginal Corporation	38,000	Headwest (Brain Injury Association of WA Inc)	60,309
Gascoyne Aboriginal Heritage and Cultural Centre Inc	453,000	Health Consumers Council WA Inc	71,580

Lotterywest Grant List



Health Services Family Association Inc	4,991	Kalamunda Volunteer State Emergency Service Unit Inc	29,799
Heart Kids WA	14,764	Kalannie Community Resource Centre Inc	20,162
Hedland Personnel Inc	64,014	Kalbarri Visitor Centre Inc	9,310
Hedland Well Women's Centre Inc	32,000	Kalbarri Volunteer Sea Search & Rescue Group Inc	15,641
Hensman Street Pre School Group	28,430	Kalgan Settlers' Association Inc	200,000
Heritage Perth Inc	40,000	Kalgoorlie-Boulder Lotteries House Association Inc	86,800
Hills Choir Inc	2,635	Kallaroo Community Kindergarten	2,863
Hills Community Support Group	371,254	Kalyuku Ninti - Puntuku Ngurra Ltd	300,000
Hills Community Support Group - Youth Services	98,468	Karratha Community House Inc	1,808
Hills Symphony Orchestra	23,630	Karratha Emergency Relief Organisation Inc	30,000
Hilton Harvest Community Garden Inc	14,938	Katanning Miniature Railway Inc	15,000
Hocart Lodge Aged Centre Inc	12,442	Katanning Regional Emergency Accommodation Centre Inc	82,424
Holyoake Australian Institute for Alcohol and Drug Addiction Resolutions Inc	523,524	Kathleen Day Playgroup	7,000
Honouring Indigenous War Graves Inc	68,079	Katina Woodruff Children's Foundation Inc	9,546
Hulbert Street Projects Committee	13,426	Kellerberrin Pipeline Newsletter Association Inc	14,215
Humpty Dumpty Toy Library Inc	12,353	Kelmscott Church of Christ Inc	71,640
Huntington's WA Inc	10,612	Kelmscott-Pinjarra 10th Light Horse Memorial Troop Inc	58,200
Hyden Community Resource Centre Inc	31,724	Kids Are Kids! Therapy and Education Centre Inc	231,562
IBN Corporation Pty Ltd	19,890	Kids' Camps Inc	70,839
Ideas Place Melville Inc	8,091	Kidsafe WA Inc	25,000
ILU Residents of St Davids	2,295	Kimberley Aboriginal Medical Services Council Inc	10,000
In Homes Support Group - Northern Region	2,268	Kimberley Individual and Family Support Association Inc	29,864
In Town Centre Inc	36,327	Kimberley Land Council Aboriginal Corporation	2,000,000
Incest Survivors Association Inc	18,813	Kimberley Toad Busters Inc	77,523
Inclusion WA Inc	34,575	Kingfisher Park Family Centre Inc	33,450
Independent Living Centre of WA Inc	2,275,422	Kings Park Volunteer Master Gardeners Inc	6,750
Indian Society of WA	15,000	Kojonup Historical Society Inc	8,800
Inglewood Clinic Playgroup	15,000	Kojonup Tourist Railway Inc	19,900
Injury Control Council of WA Inc	94,084	Koya Aboriginal Corporation	219,104
Inner Wheel Club of Melville Inc	1,868	Kulungah-Myah Family Centre Inc	14,528
Interchange Inc	183,845	Kundat Djaru Aboriginal Corporation	52,991
International Evangelical Church of WA Inc	12,605	Kununurra District High School Bush Rangers Cadets	2,641
International Riverfoundation	50,000	Kununurra Neighbourhood House Inc	15,000
Investing In Our Youth Inc	5,632	Kwinana and Districts Camera Club	4,491
Irishtown Agricultural Hall Club	15,000	Kwinana Community Arts Centre Inc	7,642
Ishar Multicultural Women's Health Centre Inc	58,995	Ladies Probus Club of Booragoon WA Inc	3,299
Italo-Australian Welfare & Cultural Centre Inc	10,000	Lady Brand Lifestyle Village (Mandurah) Residents Association Inc	14,987
Jacaranda Community Centre Inc	434,530	Lake Joondalup Baptist College Inc - Emergency Services Cadet Unit	13,242
Jalygurr-Guwan Aboriginal Corporation	92,487	Lake King Progress Association Inc	3,950
Jarrahdale Heritage Society Inc	3,022	Lakelands Village Resident's Liaison Committee	5,000
Jaycees Community Foundation	500,000	Landcare SJ Inc	36,593
Jennacubbine Progress Association Inc	3,053	Langford Aboriginal Association Inc	6,988
Jewish Care WA Inc	7,750	Law Society of WA - Francis Burt Law Education Centre	24,665
Joblink Midwest Inc	112,985	Lawley Park Residents Management Advisory Committee Inc	1,773
Joondalup Christmas Lunch	7,568	Leederville Toy Library Inc	15,000
Joondalup Family Centre Inc	23,740	Leeman Volunteer Sea Search & Rescue Group	33,498
Joongari House/Wyndham Family Support Inc	4,000	Leeming Area Community Bands Inc	14,677
Juluwarlu Group Aboriginal Corporation	202,554	Leeuwin Ocean Adventure Foundation Ltd	3,257,376
June O'Connor Centre Inc	60,130	Life Plan Recreation and Leisure Association Inc	42,030
Jurien Bay Community Festival Association Inc	12,000	Life Without Barriers	49,631
Kalamunda and Districts Historical Society	18,759	Lions Club of Eaton Inc	15,000

Lions Club of Hyden	7,000	Motor Neurone Disease Association of WA Inc	11,003
Lions Club of Kondinin	6,985	Mount Barker Wildflower Photo Competition Committee	3,214
Lions Club of Rockingham Inc	1,335	Mount Lawley Golf Club	9,489
Lions Club of Serpentine-Jarrahdale	5,661	Mount Lawley Neighbourhood Toy Library Inc	15,000
Little Sisters of the Poor Aged Care Ltd - Glendalough Home	57,000	Mount Lawley Society	5,196
Local Drug Action Groups Inc	16,930	Mount Pleasant Baptist Church Inc	20,000
Lower Great Southern Family Support Association Inc	4,250	Mt Marshall & Districts Agricultural Society Inc	6,266
Lucy Saw Centre Association	17,500	Mukinbudin Community Resource Centre Inc	15,000
Maccabi Contract Bridge Club	3,323	Mukinbudin District High School Parents and Citizens Association Inc	4,010
Maltese Association of WA Inc	15,000	Mukinbudin Planning and Development Group Inc	18,149
Mandurah Community Care Inc	5,000	Multicultural Services Centre of WA Inc	86,159
Mandurah Concert Band Inc	27,876	Multicultural Services Centre of WA Inc - Bunbury Outreach	15,000
Mandurah Murray Emergency Relief Fund Inc	50,000	Multiple Sclerosis Society of WA Inc	33,140
Mandurah Performing Arts Inc	26,500	Munchkin Manor Child Care Inc	50,000
Mandurah Wildlife Rescue Inc	30,543	Munda Biddi Trail Foundation Inc	7,600
Manjimup Chamber of Commerce and Industry Inc	12,065	Mundaring and Hills Historical Society Inc	6,799
Manjimup Family Centre Inc	7,520	Mundaring Sharing	15,000
Marangaroo Family Centre Inc	4,000	Murdoch University	55,000
Margaret River Community Resource Centre Inc - Community Childcare Centre	46,950	Murray Auto Xtravaganza Inc (Max Inc)	5,000
Margaret River Community Resource Centre Inc	18,600	Murray Toy Library Inc	5,118
Marilla House Community Centre Inc	5,000	Museums Australia Inc	75,650
Maritime Heritage Association Inc	13,989	My Place Foundation Inc	25,000
Marmion Avenue Community Child Care Inc	98,987	Myalup Community Association Inc	2,500
Marmun Mia-Mia Aboriginal Corporation	1,637	NAIDOC Perth Inc	20,000
Marnin Bowa Dumbara Aboriginal Corporation - Derby Family Healing Centre	6,000	Nannup Community Resource Centre Inc	132,000
Marnin Bowa Dumbara Aboriginal Corp - Family & Domestic Violence Support & Outreach Service	49,563	Nannup Garden Village Inc	9,727
Maroo Wildlife Refuge Inc	14,900	Nannup Music Club Inc	19,990
Marra Worra Worra Aboriginal Corporation	200,330	Nardine Wimmins Refuge	15,000
Maylands Business Association Inc	15,000	Narembeen Numbats Occasional Child Care Association Inc	14,981
McCusker Alzheimer's Research Foundation Inc	200,000	Narrogin Spring Festival Inc	6,130
McFarlane House Learning Centre Inc	10,472	Narrogin Toy Library Inc	5,000
Meath Mews Kingsley Residents Association Inc	9,333	NASCHA Inc	6,791
Meckering Playgroup	3,095	Nashos League of WA Inc	1,880
Men of The Trees - Rockingham Branch	28,578	National Council of Women of WA Inc	7,776
Men of The Trees Inc - Peel Branch	10,394	National Disability Services Ltd - National Disability Services WA	5,800
Meniere's Australia Inc - WA Branch	160,000	National Health Alliance Inc	36,900
Mens Advisory Network (M.A.N.) Inc	62,000	National Trust of Australia WA	4,717,214
Mental Health Law Centre WA Inc	61,172	Naval Association of Australia, Rockingham City Sub-Section Inc	18,540
Mercy Community Services Inc	76,821	Neami Ltd	6,245
Mertome Residents Committee	3,247	Neurological Council of WA Inc	32,770
Metropolitan Migrant Resource Centre Inc	161,486	New Life Welfare WA Inc	25,000
Midland Information, Debt & Legal Advocacy Service Inc	40,250	Newman Women's Shelter Inc	6,000
Midway Community Care	75,000	Ngala Family Services	178,138
Midwest Multicultural Association WA Inc	10,000	Ngalang Boodja Council Aboriginal Corporation	634,917
Millennium Kids Inc	16,874	Ngangganawili Aboriginal Community Controlled Hlth & Medical Svcs Aboriginal Corp	35,964
Mindibungu Aboriginal Corporation	222,000	Ngaringga Ngurra Aboriginal Corporation	53,175
Mirrabooka Multicultural Childcare Centre	34,547	Nindilingarri Cultural Health Services Inc	55,800
Mission Australia	173,856	Noranda Primary School Parents and Citizens' Association Inc	13,636
Moora Toy Library Inc	2,540	North Beach Primary School Parents and Citizens' Association Inc	4,840
MORE Community Group Inc	15,000	North Cottesloe Surf Life Saving Club	500,000
Morrissey Homestead Inc - Morrissey Day Respite Centre	90,000	North Yunderup Community Association Inc	4,900

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Northam and Districts Historical Society Inc	7,082	Perth PC Users Group Inc	2,000
Northam's Avon Descent Association	153,675	Perth Primary Care Network Ltd	15,000
Northcliffe Family Centre Inc	63,293	Perth Tango Club Inc	13,545
Northcliffe Men's Shed Inc	82,162	Pickering Brook Heritage Group Inc	3,687
Northern Districts Model Engineering Society (Perth)	9,487	Pilbara & Kimberley Care Inc	15,000
Nulsen Haven Association Inc	107,731	Pilbara & Kimberley Care Inc – Samson Beachstay	15,000
Nyabing Historical Society Inc	15,000	Pilbara Association of Non Government Organisations Inc	150,324
Nyoongar Patrol System Inc	600,000	Pilbara Community Legal Service Inc – Karratha	34,142
Ocean Gardens Inc	17,376	Pilgrims Trail Foundation Ltd	28,200
One World Centre	16,467	Pingelly Playgroup & Toy Library	15,000
Oongkalkada Inc	5,272	Pingelly Volunteer State Emergency Service Unit Inc	10,000
Orana House Inc	4,000	Pingrup Playgroup	7,529
Ord Valley Events Inc	14,931	Pinjarra Katijin Inc	7,500
Outcare Inc	262,490	Port Walcott Voluntary Sea Rescue Group Inc	3,711
Padbury Playgroup House Inc	15,000	Pregnancy Assistance Inc	8,736
Pandanus Park (Aboriginal Corporation)	31,025	Pride WA Inc	20,000
Parents' and Friends' Federation of WA Inc	29,444	Princess Royal Sailing Club	20,300
Parents and Friends of Lesbians and Gays – Perth Inc	13,200	Prison Fellowship Australia – WA Council	1,000
Parents Without Partners WA Inc	19,995	Probus Club of Albany Central Inc	1,885
Parkinson's WA Inc	47,913	Probus Club of Booragoon Inc	1,459
Patricia Giles Centre Inc	27,975	Probus Club of City Beach WA Inc	2,378
Patricia Giles Centre Inc – Domestic Violence Childrens Counselling Service	10,000	Probus Club of Claremont/Cottesloe Inc	1,054
PEEDAC Pty Ltd – Noongar Media	17,400	Probus Club of Eaton Inc	2,525
PEEDAC Pty Ltd	79,538	Procott Inc	20,000
Peel Community Development Group Inc	2,400	Propel Youth Arts WA Inc	29,637
Peel Community Legal Services Inc	9,505	ProSubi Ltd	10,000
Peel Trails Group Inc	6,000	Psychosocial Rehabilitation and Recovery Association of WA Inc	6,257
Peel Volunteer Referral Agency Inc	27,000	Qarras Seniors Quairading Aged Retired, Residents and Seniors Inc	4,215
Pemberton Visitor Centre Inc	15,000	Quairading Community Resource Centre Inc	25,000
Penistone Playgroup	15,000	Quinninup Community Association Inc	11,680
PEP Community Services Inc	28,268	Quinns Community Baptist Church	15,000
Perenjori Community Resource Centre Inc	15,000	Quinns Rocks Three Year Old Programme Inc	6,438
Perenjori Sports Club Inc	35,000	Radio Lollipop (Australia) Ltd	1,000
Perth Christian Life Centre Inc	25,000	Rainbow Coast Neighbourhood Centre Inc	141,798
Perth Diocesan Trustee – Anglican Parish of Mosman Park	29,045	Ravensthorpe & Districts Rural Communities Program Inc	2,557
Perth Diocesan Trustees – Anglican Parish of Applecross	21,085	Ravensthorpe Regional Arts Council	13,690
Perth Diocesan Trustees – Anglican Parish of Beaconsfield	339,000	Redemptorist Lay Community of WA Inc	6,360
Perth Diocesan Trustees – Anglican Parish of Beverley–Brookton–St Marks Church	48,786	Regional Counselling and Mentoring Services Inc	2,722
Perth Diocesan Trustees – Anglican Parish of Beverley–Brookton–St Marys Church	15,000	Retirees WA Inc	101,751
Perth Diocesan Trustees – Anglican Parish of Bullcreek–Leeming	10,000	Returned and Services League of Aust. WA Branch Inc – Albany Branch	19,430
Perth Diocesan Trustees – Anglican Parish of Gosnells Welfare & Community Services	13,600	Returned and Services League of Australia WA Branch Inc	757,877
Perth Diocesan Trustees – Anglican Parish of Hilton	22,927	Returned and Services League of Australia WA Branch Inc – Bedford–Morley	23,770
Perth Diocesan Trustees – Anglican Parish of Kingsley–North Woodvale	5,400	Returned and Services League of Australia WA Branch Inc – East Victoria Park Branch	22,271
Perth Diocesan Trustees – Anglican Parish of Midland	17,105	Richmond Fellowship of WA Inc	262,325
Perth Diocesan Trustees – Anglican Parish of Northam	115,680	Riding for the Disabled Association of WA	281,478
Perth Diocesan Trustees – Anglican Parish of Swanbourne–Mt Claremont	106,034	Rio Margarita	15,000
Perth Football Club Past Players and Officials Association Inc	7,800	River Of Life Christian City Church Ltd	20,000
Perth Home Care Services Inc	28,144	Riverview Community Services Inc	15,000
Perth Inner City Youth Service Inc	6,600	Riverview Residence Collie Inc	65,800
Perth Mobile GP Services Ltd	24,000	ROAR Feminist Collective	5,201
Perth Montessori School Inc Playgroup	10,667	Roberta Jull Community Care Association Inc	330,747

Rocky Bay Inc	45,000	Share & Care Community Services Group Inc	115,284
Roleystone Toy Library Inc	4,499	Shire of Augusta-Margaret River	19,000
Roman Catholic Archbishop of Perth – Basilica of St. Patrick Fremantle	55,000	Shire of Augusta-Margaret River – Alexandra Bridge Bush Fire Brigade	7,600
Roman Catholic Archbishop of Perth – Holy Spirit Church City Beach	30,100	Shire of Bridgetown–Greenbushes	6,120
Roman Catholic Archbishop of Perth – i.d.entity.wa	219,947	Shire of Broome – Regional Volunteer Bush Fire Brigade	10,147
Roman Catholic Archbishop of Perth – Southern Cross Parish	91,655	Shire of Broomehill–Tambellup	23,884
Roman Catholic Archbishop of Perth – St Joseph Parish Northam	12,440	Shire of Bruce Rock	22,889
Roman Catholic Archbishop of Perth – St Kieran's Parish	50,000	Shire of Busselton	44,000
Roman Catholic Archbishop of Perth – St Marys Catholic Church Coolgardie	21,500	Shire of Busselton – Community Resource Centre	2,500,000
Roman Catholic Bishop of Broome – Centacare Kimberley Homeless Project	50,000	Shire of Capel	1,875
Roman Catholic Bishop of Geraldton – Centacare Family Services	36,000	Shire of Carnarvon	70,000
Roman Catholic Bishop of Geraldton – Monsignor Hawes Heritage Project	30,300	Shire of Carnarvon – Carnarvon Civic Centre	33,000
Rose Nowers Early Learning Centre Inc	130,910	Shire of Chittering – Chittering Day Centre	118,930
Rosewood Care Group Inc	64,000	Shire of Chittering – Muchea Volunteer Bushfire Brigade	2,502
Rotary Club of Albany East	120,136	Shire of Chittering – Upper Chittering Volunteer Bushfire Brigade	35,000
Rotary Club of Applecross Inc	10,000	Shire of Collie	83,737
Rotary Club of Heirisson Inc	15,000	Shire of Coorow – Green Head Volunteer Bush Fire Brigade	2,999
Rotary Club of Kalamunda Inc	8,972	Shire of Cuballing	1,850
Rotary Club of Karrinyup Inc	3,253	Shire of Cue	22,000
Rotary Club of North Perth Inc	20,000	Shire of Dandaragan	191,515
Rotary Club of Willetton Inc	10,000	Shire of Dandaragan – Community Resource Centre	120,000
Royal Australasian Ornithologists Union – Broome Bird Observatory	7,369	Shire of Dardanup	60,911
Royal Society for the Prevention of Cruelty to Animals WA Inc	275,175	Shire of Derby-West Kimberley	50,000
Royal Society of WA	7,644	Shire of Donnybrook-Balingup	17,500
Royal WA Historical Society Inc	34,867	Shire of Dowerin	18,251
Roy's Retreat Inc	39,600	Shire of Dowerin – Dowerin Community Club	502,580
RSL WA Retirement and Aged Care Association Inc – Geraldton Service	25,730	Shire of Dumbleyung	22,992
Ruah Community Services	1,631,028	Shire of Dundas – Norseman Historical Museum	40,590
Ruah Community Services – Ruah Refuge	13,000	Shire of Esperance	58,426
Rural Youth WA Inc – Bruce Rock	11,016	Shire of Esperance – Esperance Civic Centre	42,500
Russian Ethnic Community and Youth Development Association Rusichi Inc	7,338	Shire of Gnowangerup	44,289
S.O.S. Supporting Our Seniors and Disabled Inc	10,000	Shire of Halls Creek	84,725
Sailability WA Inc	15,000	Shire of Irwin	30,890
Samaritans Inc	94,064	Shire of Jerramungup	311,704
Save the Children Australia	182,131	Shire of Kalamunda	278,422
SC Church Inc	15,365	Shire of Katanning	104,956
Scarborough Beach Association Inc	15,000	Shire of Kellerberrin	22,403
School for Parents Association Inc	7,293	Shire of Kondinin	64,209
Scitech Discovery Centre	134,000	Shire of Kulin	17,305
Scout Association of Australia, WA Branch	124,595	Shire of Lake Grace	14,750
Scripture Union of WA	99,000	Shire of Laverton – Laverton Telecentre	16,715
Sculpture By The Sea Inc	30,432	Shire of Leonora	20,000
Seaview Community Kindergarten Inc	6,000	Shire of Manjimup	106,922
Second Harvest Australia Inc	59,218	Shire of Meekatharra	24,900
Secret Harbour Residents Association Inc	13,690	Shire of Menzies	25,000
Seniors Recreation Council of WA Inc	27,180	Shire of Merredin	14,000
Senses Foundation Inc	303,603	Shire of Mingenev	49,453
Serbian Kolo Inc	15,000	Shire of Moora	9,588
Serpentine-Jarrahdale Grammar School Inc – Police Cadets Unit	11,320	Shire of Moora – Moora Performing Arts Centre	37,025
SES Volunteer's Association of WA Inc	15,000	Shire of Morawa	11,827
Seventh-Day Adventist Aged Care (WA) Ltd-Adventist Residential Care-Nollamara	9,574	Shire of Mukinbudin	41,560

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Shire of Mullewa	30,000	South Perth Bridge Club	15,000
Shire of Mundaring	57,398	South Perth Learning Centre Inc	62,105
Shire of Mundaring – Sawyers Valley Volunteer Bushfire Brigade Inc	20,000	South Side Symphony Orchestra Inc	5,320
Shire of Mundaring – Stoneville Volunteer Bush Fire Brigade	11,818	South Sudan Community Association of WA (SSCAWA) Inc	20,000
Shire of Murray	68,896	South West Aboriginal Land & Sea Council Aboriginal Corporation	132,694
Shire of Murray – Edenvale Heritage Precinct	192,094	South West Emergency Care for Children Inc	14,230
Shire of Murray – North Dandalup Volunteer Bush Fire Brigade	9,634	South West Refuge Inc	52,490
Shire of Nannup	14,970	South West Senior Expo Inc	2,833
Shire of Nannup – Frogs Early Learning Centre	150,000	Southcare Inc	207,310
Shire of Narembeen	15,000	Southern Agcare Inc	13,000
Shire of Northam	97,370	Southern Communities Advocacy Legal and Education Service Inc (SCALES)	169,188
Shire of Northampton	75,214	Southern Cross Care WA Inc – Bentley House	218,000
Shire of Nungarin	26,649	Southern Cross Village Success Residents Committee	5,950
Shire of Plantagenet	112,508	Southern Edge Arts Inc	26,561
Shire of Plantagenet – Mt Barker Community Centre	65,000	Spalding Family Centre Playgroup	15,000
Shire of Roebourne – Walkington Theatre	36,500	Spare Parts Puppet Theatre Inc	5,000
Shire of Serpentine–Jarrahdale	26,051	Special Olympics Australia	2,156
Shire of Shark Bay – Denham Community Centre	10,565	Spiers Centre Inc	186,464
Shire of Tammin – Kadjiny Kep	26,000	Spina Bifida Association of WA	52,960
Shire of Tammin – Tammin Arts Prize Committee	3,322	Spinal Cord Injuries Australia	320,315
Shire of Three Springs	31,565	Spirit of the Streets Choir Inc	20,091
Shire of Toodyay	11,330	Spring Road Community Kindergarten Inc	2,905
Shire of Toodyay – Toodyay Central Volunteer Bush Fire Brigade	2,213	Spring-a-Long Toy Library Inc	5,943
Shire of Trayning	14,437	St Barbara's Festival Inc	13,812
Shire of Wagin	67,600	St Francis Xavier Parish Playgroup	5,899
Shire of Wandering	66,287	St Ives Centro Residents' Association Inc	5,300
Shire of Wanneroo Aged Persons Homes Trust Inc	140,000	St John Ambulance Australia (WA) Inc	1,299,338
Shire of Waroona	65,280	St Patrick's Community Support Centre Ltd	65,000
Shire of West Arthur	7,920	St Vincent De Paul Society WA Inc	430,000
Shire of Wickiepin	44,895	St. Bartholomew's House Inc	170,931
Shire of Williams	308,038	Stand By Me Youth Service WA Inc	66,728
Shire of Wongan-Ballidu	750,000	Starick Services Inc	203,919
Shire of Wongan-Ballidu – Wongan Hills Telecentre	8,000	State Library of WA Foundation Ltd	257,000
Shire of Woodanilling	42,841	Stirling Carols by Candlelight	11,350
Shire of Wyalkatchem	10,245	Stirling Ethnic Aged Homes Association Inc	63,752
Shire of Wyndham-East Kimberley	10,000	Stirling Street Arts Centre Management Committee Inc	13,120
Shire of York – York Town Hall	54,812	Strut Dance Inc	10,000
Silver Chain Nursing Association Inc	105,090	Subicare Child Care Centre Inc	38,791
Silver Chain Nursing Association Inc – Geraldton Base	56,317	Success Playgroup Inc	13,626
Silver Threads Band	3,271	Success Residents Association Inc	5,418
Skills Refresh Organisation of Australia Inc	10,549	Sun City Care Inc	35,000
Smith Family	55,063	Superfins WA Inc	15,000
Solid Women Aboriginal Corporation	5,678	Surf Life Saving WA Inc	1,900,000
Soul Gestures Inc	10,000	Swan Districts Bridge Club Inc	3,645
South Coastal Womens Health Services Association Inc	203,440	Swan Emergency Accommodation	30,000
South East Regional Centre for Urban Landcare Inc	32,000	Swan Estuary Reserves Action Group Inc	1,011
South Hedland Lotteries House Inc	60,628	Swan Unit WA State Emergency Service Inc	8,212
South Lake Child Care Centre Inc	56,261	SWERVE Assoc. Inc	6,455
South Lake Ottey Family & Neighbourhood Centre Inc	30,492	Talbot Brook Land Management Association Inc	18,834
South Metropolitan Personnel Inc	40,663	Tammin Economy Shop Cooina Association T.E.S.C.A. Inc	4,000
South of the River Potters Club	8,120	Teen Challenge WA Inc	285,180

Telethon Speech & Hearing Centre for Children WA Inc	327,221	Urban Bushland Council WA Inc	134,120
Temple of Fine Arts Inc	16,000	UWA	36,000
Tesla Forum of WA Inc	8,578	UWA – Institute of Advanced Studies	10,950
Therapy Through Technology Ltd	12,750	UWA Guild of Undergraduates	22,169
Thomas Perrott Village Residents Committee	6,975	Valued Independent People Inc	75,000
Thommo's Community Garden Inc	41,416	Variety WA Inc	35,125
Thornlie Football & Sports Club Inc	20,000	Veteran Car Club of WA – Albany and Districts Branch	62,000
Threads of Friendship Inc	3,200	Victoria Park Youth Accommodation Inc	8,000
Tiny Tots Toy Library Association Inc	7,500	Vietnam Logistic Support Veterans' Association WA Inc	2,852
Tom Price Nameless Festival Inc	24,853	Vietnamese Community in Australia / WA Chapter Inc	15,000
Tom Price Senior High School Emergency Services Cadets	15,000	Volunteer Centre of WA Inc	158,000
Tom Price Youth Support Association Inc	20,000	Volunteer Marine Rescue WA Inc	112,208
Toodyay Community Radio Inc	14,774	Volunteer Task Force Inc	977,725
Toodyay District High School Emergency Services Cadets	6,905	WA Air Training Corps Gliding Wing Inc – Cadets	24,735
Torbay Catchment Group Inc	51,680	WA Baptist Hospital & Homes Trust Inc	386,763
Tourism Rockingham Inc	20,000	WA Baptist Hospital & Homes Trust Inc – Geraldton	2,250
Town of Bassendean	19,987	WA Baptist Hospital & Homes Trust Inc – Partners in Purpose	75,000
Town of Cambridge	20,000	WA Disabled Sports Association	322,644
Town of Claremont	26,400	WA Circus School Inc	6,926
Town of Claremont – Claremont Museum	66,800	WA Poets Inc	3,000
Town of Cottesloe	261,542	Wagin Youth Centre Inc	12,844
Town of East Fremantle	35,240	Walpole Family Centre Inc	52,150
Town of Kwinana	59,800	Wandering Primary School Parents and Citizens' Association Inc	1,250
Town of Mosman Park	19,163	Wanslea Family Services Inc	1,125,407
Town of Port Hedland – Matt Dann Cultural Centre	30,000	Waratah Christian Community Inc	5,175
Town of Victoria Park	53,536	Waratah Support Centre (South West Region) Inc	10,000
Town of Vincent	95,000	Warlayirti Artists Aboriginal Corporation	50,000
Transplant Australia Ltd – WA Branch	23,564	Warmun Community (Turkey Creek) Inc	50,000
Two Rocks Volunteer Sea Rescue Group Inc	29,281	Warnbro Community Church of Christ Inc	26,603
UCA Assembly Ltd – Frontier Services – Kununurra Community Care	218,092	Waroona Agricultural Society Inc	3,376
UCA Assembly Ltd – Frontier Services – Murchison Financial Advocacy Services	16,113	Warren Blackwood Strategic Alliance Inc	15,000
Uni Camp For Kids Inc	92,621	Webber Gardens Residents' Association	2,272
UNIFEM Australia Inc – Perth Chapter	550,000	West Arthur Community Resource Centre Inc	7,429
United Nations Association of Australia (WA Division) Inc	6,884	West Australian Ballet Company	77,300
Uniting Church Homes	139,980	West Australian Men's Gathering Inc	15,000
Uniting Church in Australia Property Trust WA – All Saints Floreat Uniting Church	127,000	West Australian Society of Magicians Inc	5,888
Uniting Church in Australia Property Trust WA – Byford Uniting Church	4,695	West Australian Symphony Orchestra Pty Ltd	144,900
Uniting Church in Australia Property Trust WA – Dongara	35,218	West Coast Blues Club Inc	14,484
Uniting Church in Australia Property Trust WA – Finucare	31,467	West Stirling Neighbourhood House Inc	5,000
Uniting Church in Australia Property Trust WA – Scots Uniting Church Albany	9,700	WA Crisis and Welfare Services Inc	47,645
Uniting Church in Australia Property Trust WA – Uniting Aid	55,000	WA Indo-China Chinese Benevolent Association	300,000
Uniting Church in Australia Property Trust WA – Uniting Outreach Mandurah	6,600	WA Kannada Sangha Inc	1,150
Uniting Church in Australia Property Trust WA – Wesley Mission Fremantle	20,000	WA Self Funded Retirees Inc	2,276
Uniting Church in Australia Property Trust WA – South Perth Uniting Church Child Care Centre	25,000	WA Adult Literacy Council Inc	26,900
UnitingCare West	60,000	WA AIDS Council Inc	53,000
Unity of Ethiopians in WA Inc	1,810	WA Association for Mental Health Inc	20,000
Unity of First People of Australia Ltd	230,307	WA Association of the Deaf Inc	15,000
University of the Third Age The University of WA Inc – South East Region	1,920	WA Blind and Vision Impaired Golf Association Inc	6,427
University of the Third Age, the University of WA Inc	15,195	WA Council of Social Service Inc (WACOSS)	633,590
Upper Great Southern Family Support Association Inc	18,711	WA Council of State School Organisations	31,944
Uralla Wildlife Sanctuary Inc	15,950	WA Cricket Association	15,000

Lotterywest Grant List

WA Explorers' Diaries Project Inc	13,314	Yongergnow Inc	34,227
WA Genealogical Society	19,782	Young Mens Christian Association of Perth (YMCA)	1,300,179
WA Light Railway Preservation Association	90,000	Youth Affairs Council of WA (YACWA)	22,750
WA Naturalists' Club Inc	6,500	Youth Futures WA Inc	95,900
WA Network of Alcohol and Other Drug Agencies Inc	18,450	Youth Legal Service Inc	19,950
WA Opera Company Inc	200,000	Youth With A Mission (Perth) Inc	500,000
WA School Canteen Association Inc	25,000	Zig Zag Community Arts Inc	19,573
WA Speleological Group	6,275	Zonta House Refuge Association Inc	109,646
WA Wildlife Rehabilitation Council Inc	7,031		
Western Urban Associates WA Inc	4,834	Total Direct Grants	102,174,067
Wheatbelt Individual and Family Support Association Inc	19,380		
Wheelchair Sports WA Association Inc	39,910	Current Year Writebacks	(196,774)
Whitford Church of Christ Inc	20,000		
Whitford Family Centre Inc	4,642	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).	
Whitford Senior Citizens Club Inc	2,237		
Whitfords & District Aero Modelling Club Inc	14,878		
Whitfords Rainbow Toy Library Inc	13,418	UWA – Perth International Arts Festival	6,863,361
Whitfords Volunteer Sea Rescue Group	32,433	ScreenWest Inc	5,228,492
Wickham Playgroup Inc	6,092	Total	12,091,853
Wila Gutharra Community Aboriginal Corp – Old School Site – Northampton Community Initiative	38,470	Total Approved	114,069,146
Wildflower Society of WA Inc – Darling Range Branch	6,681		
Wildflower Society of WA Inc – Northern Suburbs Branch	4,050		
Wilga Progress Association Inc	2,174		
Willetton Child Care Association Inc	132,000		
Willetton Toy Library Association Inc	2,400		
Wilson Park Playgroup Inc	8,653		
Winun Ngari Aboriginal Corporation	51,020		
Women's Council For Domestic and Family Violence Services WA Inc	108,269		
Women's Golf WA Inc	4,000		
Women's Health Care Association	56,893		
Womens Health Resource Centre Inc	44,865		
Womens Healthworks, Health Education and Resource Centre Inc	5,040		
Womens Legal Referral Service Inc	14,542		
Wongan Cubbyhouse Inc	3,865		
Wongan Hills Toy Box	10,792		
Wongan Hills Youth and Community Development Group Inc	12,142		
Woodbury Boston Primary School Inc	5,553		
Woodlupine Family Centre Inc	8,867		
Woolkabunning Kiaka Inc	173,200		
Workpower Inc	210,666		
Wunan Foundation Inc – Halls Creek Workers Accommodation Facility	96,548		
Wunan Foundation Inc	15,000		
Wundowie and Districts Mens Shed Inc	11,456		
Wyndham Early Learning Activity Centre (WELA) Inc	78,381		
Wyndham Gardens Inc	118,939		
Yadgalah Aboriginal Corporation	3,913		
Yallingup Steiner School Inc	23,280		
Yarloop Community Resource Centre Inc	12,000		
Yarloop Workshops Inc	15,000		
Yawoorroong Miriuwung Gajerrong Yirrggeb Noong Dawang Aboriginal Corporation	39,000		
Yawuru Native Title Holders Aboriginal Corporation RNTBC	15,000		



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