



Annual Report

2022-23



Statement of compliance

Hon. Roger Cook MLA Premier

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to the Parliament, the Annual Report of the Lotteries Commission for the financial year ended 30 June 2023.

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).



Professor Peter Klinken AC FAHMS FTSE CitWA

Chair
Accountable Authority
24 August 2023



Mr Stephen Carre OAM
Commissioner
Accountable Authority
24 August 2023

Cover: Ningaloo Nyinggulu - Ningaloo Nyinggulu - Tim Winton with a green turtle -
Photographer Vee Jahnel Brosig (c) Artemis Media

Image page 3: Lotterywest Corporate Services General Manager / CFO Jeremy
Hubble, Lotterywest Chair Peter Klinken AC, CEO Kambarang Services Jonathan Ford
and Diversity and Inclusion Consultant Jess Lang

Acknowledgment of country

Lotterywest acknowledges the Aboriginal and Torres Strait Islander People as the original custodians to land, waters and community. We respect their cultures and Elders, past and present.



Acknowledgement

We acknowledge the Whadjuk people of the Noongar Nation as Traditional Owners of this land on which our Head Office is located. We wish to show our respects to Elders throughout Western Australia both past and present for their cultural contributions to the life of our community now and into the future.

Ngalyag gaadidj Whadjag galyagab Nyoongar boodja nhidjale ngalya Head Office ag nyina. Ngalyag ngargal wirm boola alirriya aliyang boodjarra ngali goorraa ga yayee ga gwab boodja waniny ga dworrag al ngalya moord yayee ga dharbiny



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Foreword

We are delighted to share Lotterywest's 2022-23 Annual Report.

For a third consecutive year, we celebrate a record return in sales and in turn the highest contribution of direct and statutory grants delivered back to the Western Australian community. Our network of almost 500 small business retailers spread throughout the State, combined with our digital channels, have contributed to more than \$1.2 billion in sales.

As the only government-owned and operated lottery in the country, our unique purpose is to ensure all available profits from our games are invested into the community to benefit WA. Lotterywest is proud to have delivered over \$130 million to 489 community groups this financial year.

Together, we all play a role in building a better WA.

This year marks our 90th anniversary. Our first draw started at a gathering at Perth Town Hall in 1933. Ticket butts with corresponding numbers were placed into a barrel that saw around 350 marbles drawn for a share in £3,000. Since then, more than \$11 billion in prizes and \$6.3 billion in community grants have been raised from our games.

In 2022-23, the year was once again filled with unique WA winners. From 18 work mates enjoying a \$53 million Powerball win in October, to the story of a Swan Valley family celebrating their \$40 million Powerball win with fish and chips, our winners came from far and wide. There have been 80 Western Australian Division One winners and 60 Top Prize winners, sharing in a combined \$242 million this financial year.

Player safety continues to be a key area of focus for Lotterywest. While playing lottery games is low risk for most people, we acknowledge and embrace our responsibility to remain at the forefront of harm minimisation in our games, services, and business practices. Since achieving World Lottery Association (WLA) Responsible Gaming Accreditation Level 4 in 2020, we have worked hard to continuously improve on the standards achieved and transform organisational behaviours to apply responsible gambling measures across all areas of the business. In 2023-24 we are seeking Responsible Gaming Accreditation Level 4 Recertification.

* Figures are rounded and not inclusive of writeback or refund amounts





By running our lottery business with excellence and integrity, our purpose is to enhance the quality of life and well-being for all Western Australians through our community grants program. When Western Australians play our games, they support our communities.

During the year we continued to champion Aboriginal-led initiatives. We partnered with the WA Government to deliver a \$3.4 million grant program to support Aboriginal Community Controlled Organisations (ACCOs) to deliver services to their communities.

This program supported 16 Aboriginal organisations operating across WA in the housing, health, disability and childhood care and development sectors

as part of the government's drive to progress targets and outcomes under the National Agreement on Closing the Gap. In addition to this grant round, 54 grants totalling \$23.8 million were approved towards projects and initiatives supporting Aboriginal people across WA.

Recognising this year was tough for many Western Australians experiencing financial hardship as a result of the cost-of-living crisis, we increased funding for crisis and emergency relief by \$10 million. These funds provided vital support to over 55 organisations delivering services

to address homelessness, family and domestic violence, mental health, youth, and financial counselling.

To help grantees achieve the best social impacts from their funded projects and initiatives, we launched the Western Australian Community Impact Hub. The Hub is a free online resource supporting WA not-for-profits and local governments to maximise the positive social impact from their Lotterywest and Healthway funded projects and initiatives. It is already proving invaluable to our business and the broader WA community.

* Figures are rounded and not inclusive of writeback or refund amounts

Being responsive to community needs and giving back to local communities is what drives our business. We can provide these grants thanks to the players who play our games, and our network of small business retailers across the State who deliver our products.

The partnership between Lotterywest and our retailers is an enduring strength of our unique “WA way” of serving our customers and supporting our community. This year we launched the Better Business program, which aims to ensure Lotterywest is well positioned for the challenges that lie ahead, with changing retail patterns, new technologies, and changing needs in our community. We also know that if we’re not continuously improving and modernising both our retail and online experiences, we risk losing our customers to competitors. This program will provide a funding injection of \$39 million to help our retail network adapt over the next three years, strengthening their long-term sustainability.

This year we commenced work on our new Strategic Plan 2023-2026, which will be launched in the new financial year. This strategy aims to maintain and expand our position as a responsible and sustainable lottery that delivers value

for our players, our community and the small businesses that sell our games.

While we remain in a strong position, it is important we maintain this momentum and steward Lotterywest into the future. Retaining the social licence and great reputation we have developed with Western Australians is central to continuing our good work.

Our people are critical in ensuring we can deliver. This year we continued work to further strengthen the capability of our workforce through a range of targeted and strategic programs. We also commenced a number of initiatives to ensure we are well positioned to deliver on significant projects in the coming years. Our ambition is to continue to build on our organisational strength with the capacity and capability to be responsive and proactive in the face of change; with the ability to manage risk and take advantage of opportunities. We thank our staff for their tireless efforts and talents they bring to our work, and reflect proudly that they continue to step up to every challenge to help build a better WA.

As our focus moves towards the new financial year, we give an enormous thank-you to our players and retailers

for their continuing support and contribution, and also to our Board and Executive team for their commitment to operating our Lottery with excellence and integrity, while making a real difference to the lives of Western Australians.

We also thank the Hon. Mark McGowan for his leadership and guidance as the Minister responsible for Lotterywest up to his resignation, and we look forward to working closely with Premier Roger Cook MLA as our new Minister.



Professor Peter Klinken AC
FAHMS FTSE CitWA

Chair



Mr David (Ralph) Addis

Lotterywest CEO

Highlights

2022-23



\$1.22 billion

Total Lottery sales



**Over
\$1 billion**

returned to the WA
community through
grants and prizes



\$351.5M

Total returned to the WA
community in direct grants
and statutory allocations

\$221M

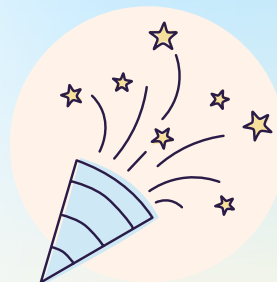
Statutory allocations
(Health, Arts and Sports)

\$130.6M

Direct grants

438 Organisations

489 Grants



\$704.2M

Total returned to WA
community in prizes

80

WA Division One winners

\$236.7M

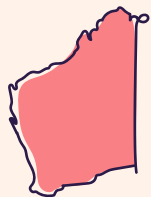
60

Top Prize winners for Scratch'n'Win

\$5.7M

* Figures are rounded and not inclusive of writeback or refund amounts

Strategic Framework



Our vision

Building a better Western Australia together.



Our purpose

To enhance the quality of life and wellbeing for all Western Australians through the funding and support we provide to our grant customers and by running our lottery business with excellence and integrity.



Our values

Customer focused: We align our business culture to the ever-evolving needs and requirements of the people and organisations we work with. We offer products, services and solutions to provide the best possible customer experience.

Confident: We enjoy working for a vibrant organisation, providing hope and opportunity. We are bold, motivated and confident in our collective ability.

Reliable: We provide clarity of expectation, consistency of delivery and quality outcomes.

Smart: We find ways to do the right things better.

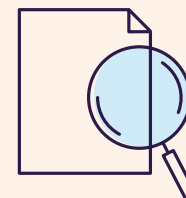
Authentic: We are true to ourselves by being open, honest and committed.

Adaptable: We know our business and our environment. We make the most of opportunities and choose when and how to change.



Our commitment

We are committed to integrity, optimising the return to the Western Australian community and to strengthening diversity and inclusivity.



Our key measures

For full KPI details see pages 69 and 70

Total allocation to beneficiaries per capita	Actual	\$125.32	
	Target	\$105.43	
Total allocation to beneficiaries as a % of sales	Actual	28.74%	
	Target	29.25%	
Grants operations expenses as a % of direct grants approved	Actual	11.75%	
	Target	15.41%	
Sales per adult*	Actual	\$548.49	
	Target	\$454.22	
Lottery operations expenses as a % of sales	Actual	5.68%	
	Target	8.37%	

* Note the Strategic Framework is to be refreshed for the next three years effective from July 2023

Strategic Plan

Lotterywest's 2018-2023 Strategic Plan contains five focus areas, each with a destination statement and underpinned by our building blocks. Recognising this year marks the conclusion of this plan, our Board, Executive and senior leaders spent considerable time creating a new strategy that will drive business decisions and set us up for ongoing success.

In 2023-24 we will launch our new strategic plan, including new focus areas and success statements. The new plan will include measures and targets to track progress and encourage celebration once milestones are achieved.

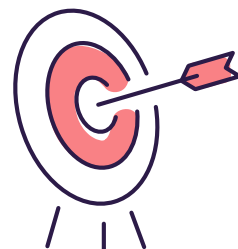


Performance Management Framework

This framework represents the connection between why we exist, the services we are charged with delivering and how we measure our performance.

Changes to outcome-based management framework

No changes to our management framework were made in 2022-23. However we will soon launch our future strategy which will feature a new purpose statement.



Our purpose

To enhance the quality of life and wellbeing for all Western Australians through the funding and support we provide to our grant customers and by running our lottery business with excellence and integrity.

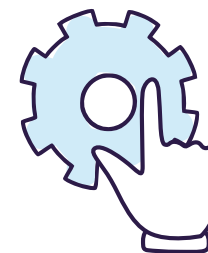


Our services

Sale of lottery products to the public of Western Australia.

Functions in accordance with the Service Level Arrangement with Healthway.

Provision of grants and other distributions to the community of Western Australia.



Our key performance indicators

- Sales per adult.
- Total allocation to beneficiaries per capita.
- Total allocation to beneficiaries as a % of sales.
- Lottery operations expenses as a % of sales.
- Grants operations expenses as a % of direct grants approved.

This Performance Management Framework links to broader government goals to improve the lives of all Western Australians. The Public Sector Commission's Future Enabled strategy connects to Lotterywest's services in the following ways:

Future Enabled key shift	Lotterywest enabling through
Empowering First Nations people with a secure future	<ul style="list-style-type: none"> Increased focus in the diversity and inclusion space culminated in the appointment of a dedicated resource to progress Lotterywest's social agenda, including development of a Reconciliation Action Plan and cultural awareness opportunities for staff. Deployment of five online Cultural Diversity e-learning modules to increase knowledge of all staff. Completion of the PSC Cultural Awareness Training with a staff completion rate of more than 80 per cent.
Assembling collective intelligence for problem solving	<ul style="list-style-type: none"> In late 2022, Lotterywest and Healthway launched the Western Australian Community Impact Hub, providing a central source of intelligence to assist organisations delivering community projects. Our community-led grant program is designed to encourage community members' ideas in delivering great outcomes for Western Australians. Lotterywest continues its partnership with Healthway to maximise impact and realise synergies.
E-thinking services for lives and livelihoods	<ul style="list-style-type: none"> Lotterywest has committed to digital capability investment to improve services to the Western Australian community. We continue to get smarter in the way we work and with the tools we use, achieving improved analytics capabilities and utilising automation and real time data to realise efficiencies in 2022-23.
Activating foresight for enduring service	<ul style="list-style-type: none"> Lotterywest's Developing Solutions grant program is designed to enable strategic and proactive work to achieve lasting change. Future service provision has been a significant focus for our leadership team over the last year as we build our new strategy to set us up for enduring success.

Shared responsibility with other agencies

In addition to our ongoing partnership with Healthway, we have been working closely with the WA Government to deliver a targeted grants program to support the Aboriginal Empowerment Strategy and National Agreement on Closing the Gap.

Through the Sector Strengthening Grants program, \$3.4 million of government funding has been provided to 16 Aboriginal Community Controlled Organisations (ACCO) to support the delivery of high-quality, sustainable services and outcomes for Aboriginal people and communities across WA.

These grants will allow ACCOs to expand or develop initiatives across the housing, health, disability, and early childhood care and development sectors.

Lotterywest has administered the program with a focus on working developmentally with Aboriginal organisations to help turn their ideas into reality.

The Minister for Aboriginal Affairs approved the final grants. As funding was not distributed by Lotterywest, the specific grants awarded are not listed in this Annual Report.

Where does the money come *from*

Sale of lottery products
94%

Based on cash flow

Other
1%

GST recoup
5%



Where the money goes

Grants payments
24%

Prizes
49%

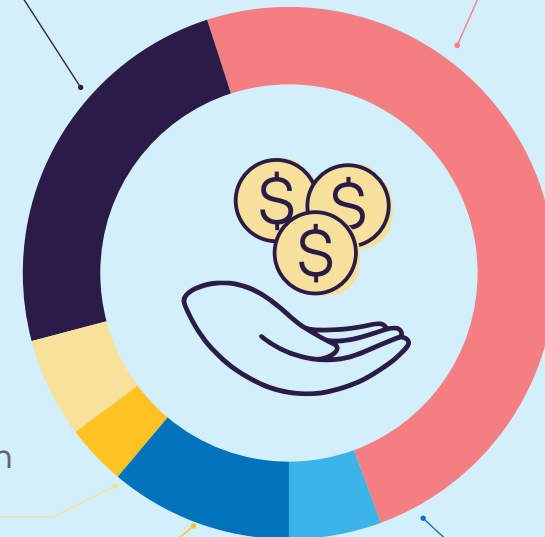
Based on cash flow

Retailer commission
6%

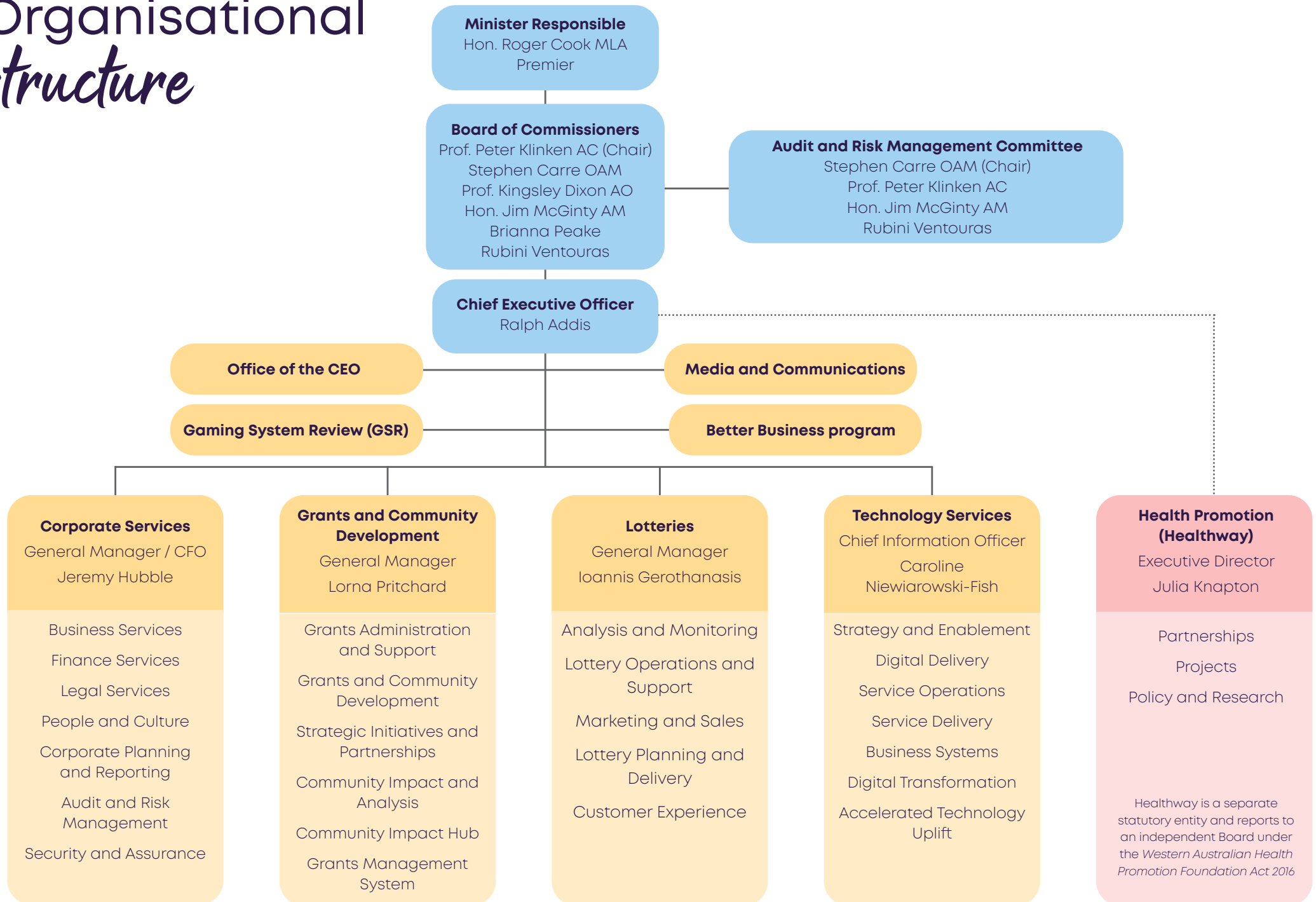
GST paid
4%

Operating costs
6%

Increase cash and investment held
11%



Organisational structure



Corporate *structure*

Board of Commissioners



Professor Peter Klinken AC FAHMS FTSE CitWA (Chair) joined the Lotterywest Board as Chair in October 2018. Peter is an eminent leader, academic, scientist and for more than 15 years was the Director of the Western Australian Institute of Medical Research and the Harry Perkins Institute of Medical Research. Presently he is the Chief Scientist of Western Australia and holds a Companion of the Order of Australia. Peter is a graduate of The University of Western Australia with a Bachelor of Science, a PhD in Biochemistry and Diploma of Education. He is also the Chair of the Western Australian Health Promotion Foundation (Healthway) Board.



Stephen Carre OAM joined the Lotterywest Board in December 2013. Stephen brings a wealth of experience as a business owner of his multi-award winning IGA store in Swanbourne and his many years in banking. He is the Chair of the Rottne Foundation and Board Member of Healthway. He is a CPA, has a Bachelor of Business, an MBA and is a Fellow of the Australian Institute of Company Directors and is Chair of the Lotterywest Audit and Risk Management Committee. Stephen was awarded the Medal of the Order of Australia (OAM) for his service to the community.



Hon. Jim McGinty AM joined the Lotterywest Board in August 2018. During his 19-year term as Member for Fremantle in the Western Australian Parliament he held positions of Minister for Health (2003-08), Attorney General (2001-08) and Leader of the Opposition (1994-96). Jim is Chair of Communicare, Chair of Graylands Reconfiguration and Forensic Taskforce and a Board Member of Healthway. He is a former Board Member of Telethon Kids Institute and Brightwater Care Group and former Chair of North Metropolitan Health Service. He also volunteers with Fremantle Sea Rescue.



Professor Kingsley Dixon AO joined the Lotterywest Board in December 2017. Kingsley is a renowned botanist and Western Australia's 2016 Scientist of the Year. Professor Dixon was recently appointed an Officer of the Order of Australia for his distinguished services to conservation biology, ecological research and restoration, and to tertiary education.



Rubini Ventouras joined the Lotterywest Board in June 2021. Rubini brings more than 20 years of international experience in legal and commercial sectors. Appointed as a Trustee of the WA Museum in July 2012, she is also a member of the WA Museum's Audit and Finance Committee and a Director of the Foundation for the WA Museum. Rubini holds a Bachelor of Law and Bachelor of Commerce (Accounting) and is admitted to practice law in the Western Australia and High Court of Australia. She is currently General Counsel at Australian Capital Equity.



Brianna Peake joined the Lotterywest Board in June 2021. Brianna has a wealth of experience in corporate affairs, government and stakeholder relations. She holds a Bachelor of Science (Natural Resource Management) from the Faculty of Agriculture, The University of Western Australia and became a fellow of the Australian Rural Leadership Foundation in 2015. Brianna was the Chief External Relations Officer at CBH Group for six years, General Manager – Geraldton Zone for CBH Group and currently Chief Stakeholder Relations, Sustainability and Strategy at CBH Group. She is a graduate of the Australian Institute of Company Directors and Harvard Business School Advanced Management Program.

Corporate *structure*

Leadership team



Ralph Addis commenced as Lotterywest and Healthway Chief Executive Officer in February 2022. Ralph has worked in the Western Australian Public Sector since 2014, initially as Director General of the Department of Regional Development, then in 2017 as Director General of the newly formed Department of Primary Industries and Regional Development. Ralph has a natural affinity with regional WA, including as founding CEO of Wunan Foundation and Chair of the Kimberley Development Commission. Ralph is a Chartered Accountant who holds a degree in commerce, a Master of Economic Studies and is a graduate member of the Australian Institute of Company Directors.



Jeremy Hubble leads Lotterywest's Corporate Services business unit which is responsible for the organisation's financial, legal, audit and risk, planning, business services, security and human resources operations. He is responsible for overarching financial management, integrity, governance and statutory compliance. Jeremy is a qualified Chartered Accountant with substantial experience in commerce and government. He has extensive corporate governance experience and is a member of the Australian Institute of Company Directors. Before joining Lotterywest, Jeremy was a senior executive in both state and local government and has held senior positions in major accounting and public commercial entities. He holds a Bachelor of Business and a Master of Business Administration.



Lorna Pritchard leads Lotterywest's Grants and Community Development business unit distributing more than \$100 million annually through more than 450 grants to the Western Australian community. Lorna hails from Aotearoa, New Zealand and for the past 26 years has worked with local leaders, organisations and government agencies to support, develop and strengthen communities. Throughout her career, Lorna has chosen roles where she can make an impact and is a key champion of culture and collaboration. She drives success, embraces change and new initiatives, working to ensure Lotterywest continues to be the leading grant-maker for the community in WA.



Ioannis Gerothanasis leads Lotterywest's Lotteries business unit which is responsible for marketing, sales, operational support, business and game development and key lottery projects. He has 18 years of international management experience working for large multi-national organisations on projects in the Asia-Pacific, North and South America, Europe and the Middle East, initially in the travel and tourism sector and later in the lottery industry. Ioannis has substantial experience in project and program management, information technology and public and private sector tendering. He holds a Bachelor of Business in Management and Organisational Behaviour.



Caroline Niewiarowski-Fish leads Lotterywest's Technology Services business unit responsible for leading and empowering the team to deliver modern, secure, integrated, fit-for-purpose technology solutions for Lotterywest and Healthway customers, retailers and staff. Caroline has over 16 years' experience in leadership and team management across the public and private sector, with extensive experience in managing and implementing transformative and contemporary service provision in complex organisations. She holds a Bachelor of Engineering (Software Engineering) Honours and is a graduate member of the Australian Institute of Company Directors.



Julia Knapton is the Executive Director Healthway, responsible for leading Healthway's grants programs including strategic partnerships, research, health promotion and evaluation and strategic health promotion. Julia is an experienced public health practitioner, having worked in various roles in education and health for more than 25 years. Prior to working at Lotterywest and Healthway, Julia was Director Planning, Policy and Strategy at the Mental Health Commission. She holds a Bachelor of Physical Education, Post Graduate Diplomas in Education and Health Promotion, a Master of Public Health and a Graduate Certificate in Public Sector Management.

Significant issues impacting the *agency*



Building retail sustainability and services

Despite strong lottery sales, many retailers are under pressure from external factors leading to increased uncertainty for their ongoing sustainability. As the success of Lotterywest relies on the success of our retailers, this is considered a shared sustainability risk.

Our response

In March 2023, Lotterywest launched the Better Business program, seeing retailers supported with financial incentives aligned to business standards. In addition to financial support designed to ease the increased cost of operating a small business in a tight economic climate, Lotterywest continues to assist our retailers' wellbeing through the provision of third-party mental health services and other support services.

As part of the Better Business program, Lotterywest is continuing to work on its retail model to ensure it is capable of meeting the needs of players and retailers in the long-term.



Technological transformation

Technology continues to evolve, resulting in several of Lotterywest's systems no longer meeting business expectations. Coupled with this evolution, our people require greater flexibility in the way we use technology and there is a need to replace our core gaming system.

Our response

Work has progressed on the replacement of our grants system, set to launch in early 2023-24. The new system will improve our ability to engage with stakeholders and better meet government and community priorities. We have also been preparing for the replacement of our gaming system which will further improve the maturity of our platform, with modernised technology.

In addition to our customer-facing systems, review of our enterprise system continues. In 2022-23 we saw a transition to modern device management technology, allowing for increased security and flexibility. The planned refresh of our website technology continues, designed to further enhance the customer experience and security of our online platforms.



Cyber security, privacy and information management

In the current climate of increased cyber threats and scams, it is paramount Lotterywest ensures the security of customer and staff data. Both grants and lottery customers rightfully expect their privacy to be responsibly managed by Lotterywest and doing so supports Lotterywest's social licence to operate.

Our response

Lotterywest is undertaking measures aligned with the WA Government's Cyber Security Policy, including maintaining compliance with industry security standards and implementing an ongoing program of cyber security enhancements. We've also responded to this important issue by bolstering our internal capability in information management. Our information management strategy and awareness and education program are in development.

We've progressed work to ensure greater protection of player privacy, provide more transparency on how we collect, use and store customer information and allow players more choice and control over their data. We've updated our Membership Terms & Conditions and Privacy Policy to reflect this intent and are tracking members' acceptance.



Maintaining social licence and responsible gambling

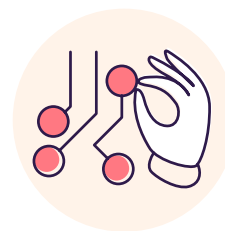
Lotterywest is Australia's only State owned and operated lottery and this point of difference guides us in the provision of lottery and instant win products. With gambling legislation change on the horizon, striking a balance of sustainable lottery sales, while maintaining the highest responsible gambling accreditation is Lotterywest's priority.

Our response

Lotterywest's proud history of social responsibility endures through our grants program and is supported by several ongoing commitments and actions. We elevate our social licence to operate with progress in the diversity and inclusion space, by strengthening our governance processes and limiting our environmental impact.

Lotterywest maintains the highest possible Responsible Gambling accreditation, Level 4 (Continuous Improvement), from the World Lottery Association. Our Player Safety Program consists of policies and practices designed to minimise harm and is based on the principles of player awareness, choice and control.

In 2022-23 we progressed the establishment of a Player Safety Framework and rolled out mandatory annual Player Safety Training modules for our staff, contractors, suppliers and retailers. We also strategically considered how to best market and communicate support for positive behaviour change.



Organisational and strategic change

Lotterywest is in a period of high flux, with the pace of necessary change accelerating. Emerging from COVID-19 and with strong sales growth, Lotterywest now faces significant and business critical pressures. In addition to the launch of our new Strategic Plan, Lotterywest needs to consider if our operating model is set up to achieve optimal outcomes. Acknowledging existing resourcing constraints, we strive to increase capability and capacity while applying best practice change management techniques in an ongoing period of transformation.

Our response

We have made significant progress with our workplace strategy in 2022-23, intended to achieve more efficient use of space and better support for different modes of working. An upgrade to our work place and to our technology devices have resulted in improved workplace mobility and collaboration.

Lotterywest undertook a strategic, functional and structural resource review, coupled with a review of workforce planning. These reviews have guided our journey to build capacity, implement a more strategic approach and effectively respond to change.

Building our new Strategic Plan has been a significant undertaking this year, with the strategy designed to set us up for success and effective delivery of grants to the WA community.

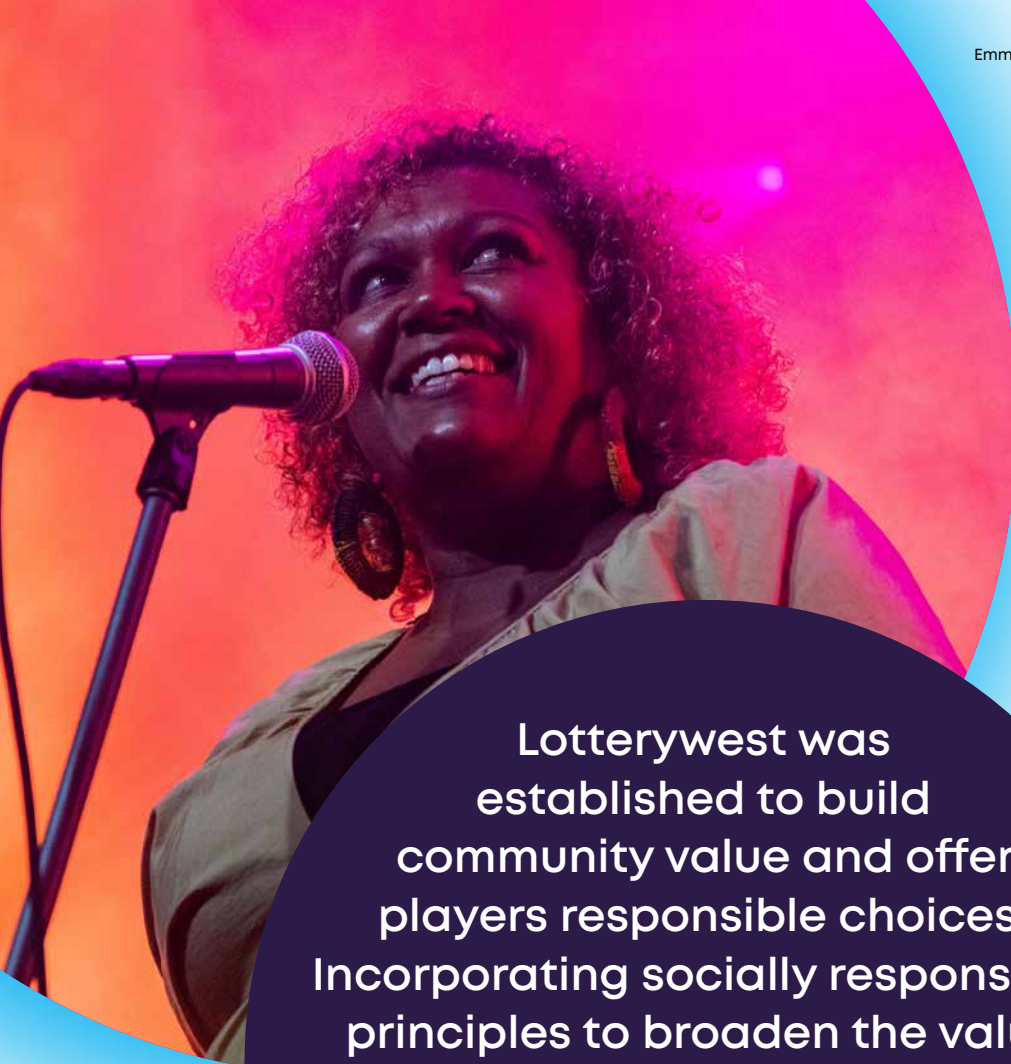
Our commitment to ESG outcomes

25 Environment

26 Social

29 Governance





Lotterywest was established to build community value and offer players responsible choices. Incorporating socially responsible principles to broaden the value we contribute to Western Australia and beyond aligns to our purpose. Recent achievements in fostering Environmental, Social and Governance (ESG) value are outlined below.

Sustainability Action Plan

Objective: To meaningfully encourage and contribute to a sustainable thriving environment.

ENVIRONMENT

Use energy efficiently and reduce our use of pollutants.

CULTURE

Encourage creating a sustainable, collaborative and thriving environment.

OUR GOALS



WASTE

Minimise landfill by promoting waste management.



GOODS & SERVICES

Source ethical and environmentally responsible materials and service providers.



Environment

Our Sustainability Action Plan outlines ongoing efforts to meaningfully encourage and contribute to a sustainable, thriving environment. Our plan has four pillars which categorise the steps we're taking to make a difference. Over this financial year those steps have included:

- Reduction of vehicle emissions by introducing two electric pool cars to our fleet and supporting reduced staff travel via our ongoing flexible working policy.
- Continuing to provide an extensive range of recycling facilities for staff, including the collection of organic waste, batteries, dental products and office products.
- Introducing coffee beans to replace aluminium coffee pods and composting used coffee grounds in our organic waste.
- Supporting reduced paper use by implementing digital signatures, smart forms and electronic credit card recordkeeping.

Our efforts are not limited to what we do as an organisation, but more so in what environmental change we can influence through our funding. The Community Investment Framework, which guides our grant making, identifies Protected sustainable ecosystems as one of our priority areas. In

2022-23, we awarded grants to support the community in sustaining and enhancing our unique flora and fauna and environments.

This included a grant to Murdoch University to help protect endangered birds through community empowerment and collaboration. Outcomes are expected to include revegetation of black cockatoo habitat, installation of drinking water stations and creation of conservation action plans.

Perth NRM have been funded to promote sustainable and regenerative farming practices, with the intention of increasing the uptake of sustainable land management practices. Their goal is to create a future that we will be proud of when passing it onto the next generation.

This year we refreshed our investment approach, partnering with JBWere to grow our portfolio and improve our return. We're using this opportunity to invest responsibly by applying ESG filters before undertaking any investment of note, the first \$1 million investment was in a sustainability note used for green and social projects.





Perth Festival Lotterywest
Films at UWA Somerville.
Photo: Rift Photography.

We are committed to maximising the positive impact of our grants for the WA community. This includes looking beyond the direct outcomes of the initiative to promote practices that are inclusive, healthy, sustainable and respectful of Traditional Custodians and Country. In 2023, the Lotterywest Good Practice Guide has been replaced with Good Practice Requirements which will come into effect on 1 January 2024 for all grant applications.

Social

Our community

We support improved social outcomes for our community through grants funded under our investment framework priority areas of Inclusive thriving community, Connected cultural experiences and Smart innovative society. Additionally, our statutory grants contribute to improved arts, sports and health outcomes for WA.

Bringing people together and strengthening community connection is achieved by grants such as:

- Construction of a community facility that will offer a range of art, educational and social activities for the residents and surrounding communities of King River in the Great Southern.
- A collaboration between Bringing Them Home WA and Curtin University aims to create a trauma-informed approach to truth-telling using virtual reality.
- Multiple grants for community-led grants activities and events supporting the total solar eclipse in the Gascoyne, highlighting the link between local culture and nature appreciation.

Culturally and Linguistically Diverse (CaLD) groups are supported with grant funding to increase engagement and ease barriers to community connection. An example of our support in this area includes the Ellenbrook Multicultural Community Festival, the Shire of Katanning's Harmony Festival and the First Hike Project which supports inclusion of young people from migrant and refugee backgrounds.

Our commitment to diversity is also evidenced in our long-standing support of the LGBTQI+ community. This year we contributed to Pride festivities, including the Albany Pride Fair Day hosted by Albany Pride Incorporated, bringing people together to celebrate diversity and inclusion.

We are advocates for strengthened relationships with Aboriginal people. Through our grants program we are championing Aboriginal-led initiatives designed to advance truth-telling, reconciliation and healing projects. Within our workforce we have made strong progress in this space, details of which are provided below.

Through infrastructure improvements at our head office, we've modelled inclusivity. Our famed Winner's Room and our office space have been adjusted to accommodate all community members. Renovations have included the provision of gender-neutral and multi-purpose restrooms, supporting our staff with freedom of choice and fostering safe spaces. In May, a building acknowledgement plaque was unveiled, providing permanent recognition that the Whadjuk people of the Noongar Nation are the Traditional Owners of the land on which our head office is located.

Our players

We recognise that, while playing lottery games is low risk for most people, some players may find they are spending more than they can afford, or that gambling is having a negative impact on their life.

As a government entity and iconic WA brand, we are committed to ensuring our games are safe to play and return value to the community. We acknowledge and embrace our responsibility to remain at the forefront of harm minimisation in our games, services and business practices.

Our Player Safety program consists of policies and practices designed to minimise harm associated with our games including game design, player education, advertising standards, retailer and staff training, additional controls for our online accessible platforms and referrals to problem gambling support services.

We endeavour to create and operate a safe and secure environment and educate and empower our players to make informed decisions about their Lotto play, based on the principles of player awareness, choice and control supported by our commitment to people's privacy.

We aspire to continuously improve our understanding and effectiveness of our player safety approaches and tools by

engaging in local, national and international research and knowledge sharing with various stakeholders.

Player Safety highlights in 2022-23 include:

- Participating in Gambling Harm Awareness Week in October 2022, a cross-industry collaboration promoting player safety.
- All our retailer partners, key suppliers and staff completed gambling safety training, enabling them to understand, recognise and respond to signs of problematic play.
- Improvements to our online digital platform, giving players more controls on setting spend limits (to a maximum of \$500 per week), self-exclusion and the visibility of account information including deposit, win and loss history.
- Increased research undertaken to better understand player behaviour and determinants of risky play, which has led to continuous improvements in advertising and media practices.
- In response to research, our website was updated to further simplify information about odds and make this information more easily accessible for players.
- We continue to seek insights into our Player Safety program from our stakeholders including an expert external advisory committee, our players and retailers.

Our workforce

We are committed to diversity and inclusion within our workplace and acknowledge our part in the desired shift to empower First Nations people with a secure future, as outlined in the Public Sector Commission's Future Enabled publication.

Our Strategic Workforce Plan describes our intention to develop, support and best position our workforce to respond to challenges. Our plan aims to provide focus towards equal employment opportunity and diversity. We strive to sustain a work environment where our staff can be their best and feel empowered to bring their authentic selves to work through:

- A program of initiatives that encourage our people to actively participate in events and activities that promote, raise awareness and celebrate diversity.
- Continued delivery of training to promote awareness of factors affecting minority groups and managing bias.
- Recruitment processes which actively promote and support inclusive methods and facilitate individual needs upon employment.
- Ongoing membership with Reconciliation WA and the Diversity Council of Australia.
- Ongoing delivery of health promotion opportunities.

We are proud to have achieved a 73 per cent staff satisfaction rating in our most recent workforce survey and a sustained completion rate of above 80 per cent for diversity and inclusion related training modules. Further learning and engagement opportunities are made available to staff including the SBS inclusion program and Acknowledge This! program, which supports a greater understanding of and an authentic approach to presenting an Acknowledgement of Country.

We held a Reconciliation Action Plan workshop for staff in 2022-23, to reflect on how we can embrace and encourage

reconciliation advancement. Cultural awareness continues to be built through our partnership with Kambarang Services, advancing our Reconciliation Action Plan and establishing a staff learning hub. We aim to empower staff and stakeholders, particularly ahead of the 2023 referendum with education on the Uluru Statement from the Heart.

Our Reconciliation Action Plan, once finalised, will complement our existing Access and Inclusion Plan and our Multicultural Action Plan. These plans detail the strategies we are employing across the organisation to drive positive social outcomes through increased diversity and inclusion.



Governance

Integrity

Our Strategic Framework includes Our Commitment, which highlights the value we place on integrity. Our values support our staff to be authentic, open, honest, committed and reliable, clear and consistent.

Our Code of Conduct guides how we work and how we live our values at work. We refreshed our Code of Conduct in 2022-23, providing updates on:

- The expanded reporting obligation for fraudulent or corrupt behaviour.
- New compliance with data governance guidelines.
- Potential conflicts of interest.
- Express prohibition against bribery.
- Expanded consequences for breaches of the Code.

The integrity function in Corporate Services provides governance and statutory compliance oversight. A robust Integrity Framework has been developed in line with the Integrity Framework Guide provided by the WA Public Sector Commission. Our framework describes:

- Clear expectations of employees and Board members in relation to integrity.

- Roles and responsibilities under the framework.
- Management of integrity based on identified risks.
- Development of integrity knowledge, skills and competencies of employees and Board members.
- Reinforcement of a culture that builds on integrity.
- Cadence for review and updating of the framework.
- Assurance to the head of the public sector body that the framework is working as expected.

In the interest of proactive prevention of fraud, corruption and misconduct, we offer staff use of a third-party whistle-blower reporting service, FairCall.

Staff are also provided with annual integrity training, reflecting the Public Sector Code of Ethics and our Code of Conduct. Current completion rates of integrity training by staff are:

- 80 per cent Accountable and Ethical Decision Making
- 89 per cent Conflicts of Interest
- 82 per cent Public Interest Disclosure.

Cyber and data security

We acknowledge our responsibility to keep secure data and information we produce and store. In a landscape of increasing cyber threats, we continue to progress a range of security improvements and increase capability and capacity in information management. Our vigilance has protected our ability to provide quality service to our customers as well as our assets. Work in this space is aligned with the WA Government's Cyber Security Policy and industry standards.





Lottery operations

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Operations *overview*

Better Business program

The Better Business program seeks to safeguard the retail network for the future. In March 2023, the program launched its first phase of changes that comprised business support and business standards.

Business support includes financial payments and support services, enabled by the growth in overall sales, to temporarily support retailers in a period of increased uncertainty. Business standards seek to ensure every player that enters a Lotterywest outlet has the best playing experience possible.

Business standards outline our expectations of retailers and focuses on critical areas such as financial management, customer experience, player safety and brand integrity. The standards aim to provide clarity about what really matters, what success looks like and how to remedy issues identified in a retail outlet.

Work continues on further initiatives to improve the medium to long term relevance and sustainability of the retail network.

Gaming System Review

In 2022-23, Lotterywest developed the initial business case and treasury funding submission, informed by information from global market research and analysis of our high level requirements.

External assurance for the initial business case was provided through a gateway review facilitated by the Department of Finance. Following formal approvals from both the Lotterywest Board and the WA State Government Expenditure Review Committee, we will be progressing to an international competitive market tender process in 2023-24.

Powerball game changes

On the back of extensive research, the Australian Lottery Bloc agreed to implement changes to Powerball in 2022-23. While the game mechanic did not change, the subscription price increased by 10 cents to allow for a greater distribution of the prize pool across lower divisions. The first draw for this game was held on 25 May 2023.

World Lottery Association recertification

Lotterywest is committed to ensuring harm minimisation principles are embedded into our day-to-day operations through our Player Safety Program. We are evolving in line with our aspiration to achieve the highest standards of corporate social responsibility and harm minimisation for our players, partners and staff.

Having achieved Level 4 Responsible Gaming certification in 2020, with the global authority on lotteries, the World Lottery Association (WLA), we are collating the submission for recertification due in October 2023.

Outcomes will be confirmed in next year's report following evaluation by the WLA Independent Assessment Panel.





South Lake Pharmacy.

Customer Services

During the 2022-23 financial year, Customer Services recorded 67,705 interactions with key stakeholders, including players and retailers. These interactions took place across multiple channels on topics ranging from assistance with Lotterywest membership, teaching players about our games, technical troubleshooting with Lotterywest retailers and greeting winners that visit Lotterywest to claim prizes.

Lotterywest's busiest time was October 2022, which included a \$100 million Powerball, \$160 million Powerball and \$50 million OZ Lotto jackpot. Customer Services also experienced increased engagement with stakeholders in relation to the New Years Eve \$40 million Megadraw.

Customer satisfaction initiatives

Each financial year, we conduct two customer satisfaction surveys to seek feedback from players and retailers.

The customer satisfaction surveys sent to players highlighted 85.7 per cent of respondents were satisfied with the level of customer service they received.

This was a slight decrease on the 2021-22 financial year where 86.4 per cent of players were satisfied with the level of customer service received.

The recent survey of retailers concluded 100 per cent of the respondents were satisfied with the service provided. This is an increase on the result achieved over the 2021-22 financial year.

Retailers Consultative Panel

The Lotterywest Retailers Consultative Panel (RCP) is a representative group of retailers and includes a representative from the Australian Lotteries and Newsagents Association (ALNA).

The RCP is an invaluable, collaborative, solutions-based forum and source of retail knowledge and interaction for Lotterywest and our small business partners.

The RCP consulted closely with Lotterywest on the development and implementation of the Better Business program, providing valuable insights and strongly advocating on behalf of the retail network.

Members of the RCP also participated in the filming of the launch video for the program, providing an overview of the consultation process and sharing their thoughts and feelings about the program.

Incentives and rewards

Sales sprints supporting key marketing campaigns have remained a key method to improve retailer engagement. More than 90 per cent of retailers participated in at least one sales sprint this financial year. The sales sprints supported the Saturday Lotto Superdraw in July, the Saturday Lotto Megadraw in December, an OZ Lotto campaign in February and the Saturday Lotto Megadraw in June. Retailers shared in \$500,000 of incentives and rewards this year.



Retail Image

The Retail Image team focused on supporting the 12 outlets yet to upgrade to the new design, relocation and new outlets identified through our expression of interest process. The Retail Image team worked on a series of updates to resolve known issues with the design.

This included:

- Reviewing shop fit out plans to meet our requirements.
- Ensuring outlets receive the required components to install the new image.
- Completing compliance checks post-installation.
- Assisting retailers in developing a signage plan for new outlets.

Retailer training

Since launching the new learning management system in March 2022, the Retail Hub has been accessed by approximately 3,500 retail staff, Lotterywest staff and suppliers.



Training included

Manage a Lottery Outlet training

- 10 courses (in-house) and 59 attendees.

Lotterywest Essentials

- 1,898 completed the e-learning program.

Player Safety

- 1,646 retailers completed the Player Safety training, as well as:
 - 315 Lotterywest staff
 - 42 suppliers and agents
 - 4 Lotterywest Board members.

Creating a Digital Presence

- 216 retail staff completed this e-learning training program.

Retailer support services

Following the launch of a program to support retailer sustainability in 2020, we continued to survey retailers to understand their business confidence and identify challenges.

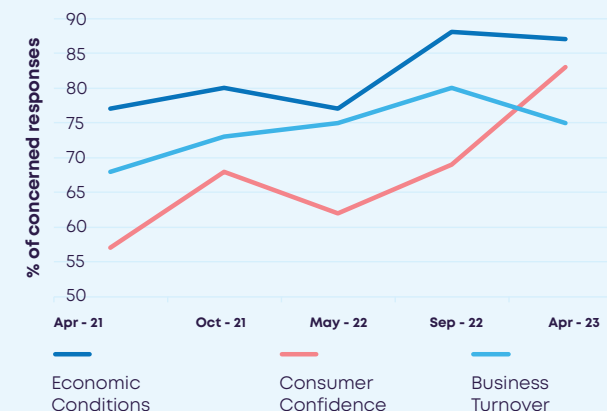
Two business confidence surveys were completed in 2022-23 resulting in the development of a suite of online training modules.

The goal is to assist retailers in creating a digital presence and the new partnership with LeaseMap.

LeaseMap is a WA-based business that provides lease support by benchmarking a retailer's lease conditions against similar businesses.

Retailer concern about business turnover reduced this reporting period.

Concern for economic conditions remains relatively high, but has steadied at one in three retailers, reflecting broader consumer trends across WA.



Winners



9

Division One
winners
shared in

\$9
million



1

Division One
winner
collected

\$30
million



6

Division One
winners
shared in

\$6
million



2

Division One
winners
shared in

\$93
million



53

Division One
winners
shared in

\$74
million



4

Division One
winners
shared in

\$399
thousand



5

Division One
winners
will collect

\$20,000
per month for
20 years



60

Top Prize
winners
shared in

\$5.7
million



What is a syndicate?

A syndicate is a group of people who play together to share the cost of the ticket and any winnings. By pooling your money together, you can play more games and increase your chances of winning.

Syndicates are available for Saturday Lotto, Monday and Wednesday Lotto, OZ Lotto, and Powerball. You can also play Systems as part of a syndicate.

Syndicate jackpot winners

Saturday Lotto draw 4281

20 shares **\$2.3** million **\$115K** per share

Saturday Lotto draw 4281

10 shares **\$2.1** million **\$210K** per share

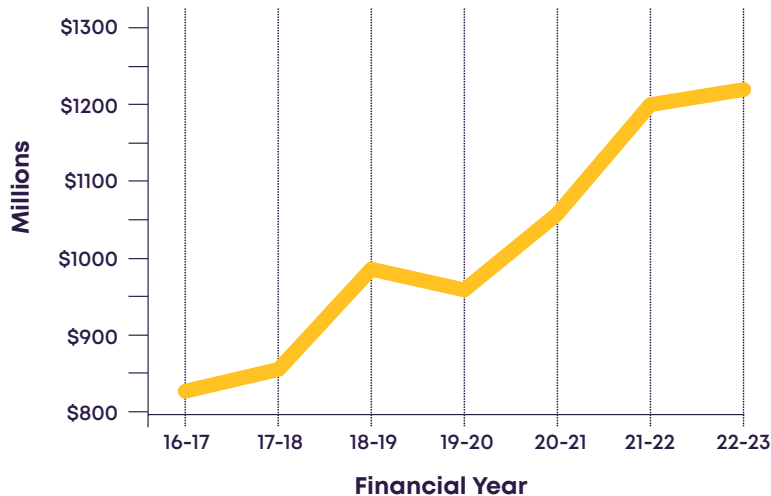
Saturday Lotto draw 4361

10 shares **\$1.7** million **\$170K** per share

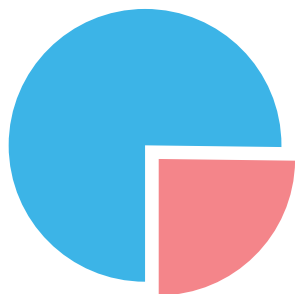
* Figures on this page are rounded.

Product sales

Sales trend



Our distribution channels



486 retail outlets* =
75.2% of total sales

* Retail outlets trading at 30 June 2023

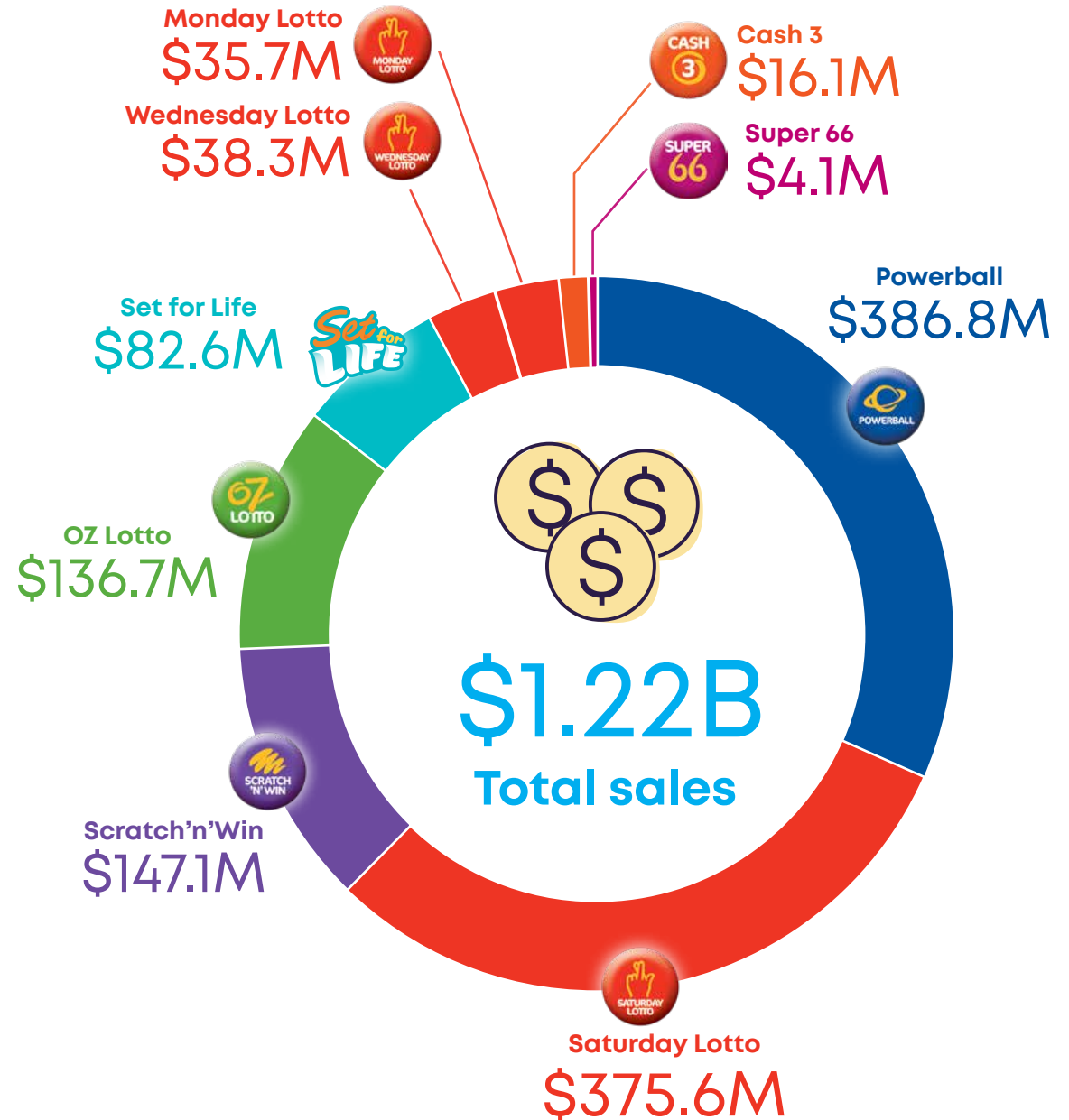
Online sales =
24.8%
of total sales

62.3% Lotterywest
Mobile App

25.3% Play Online

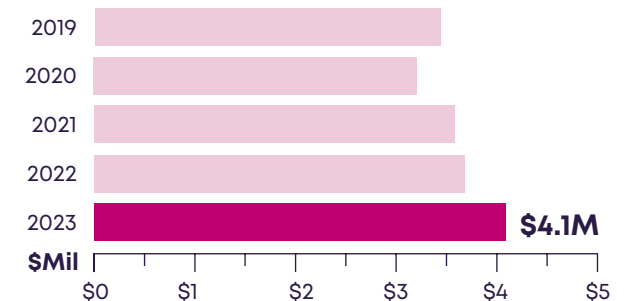
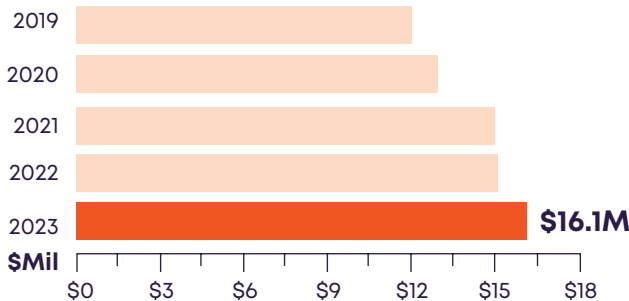
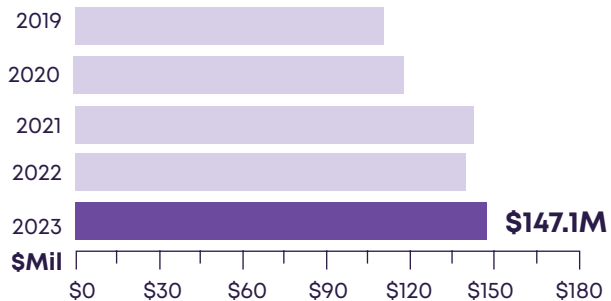
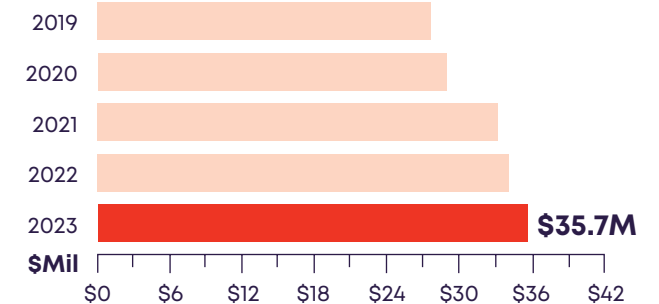
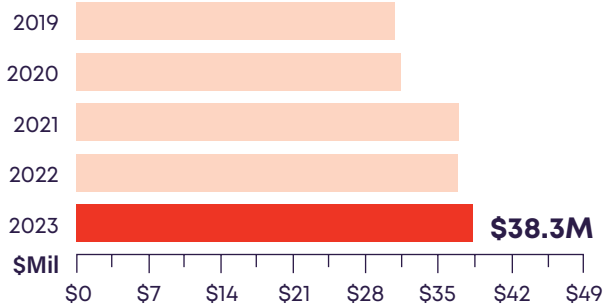
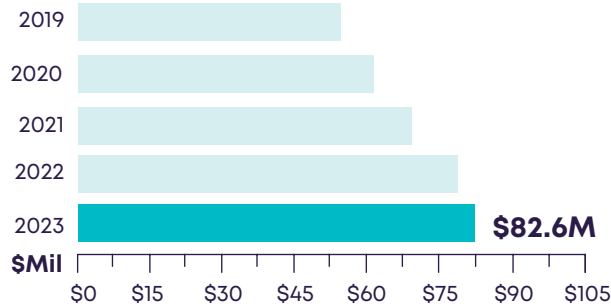
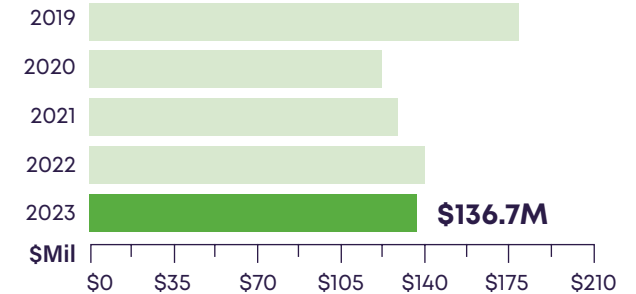
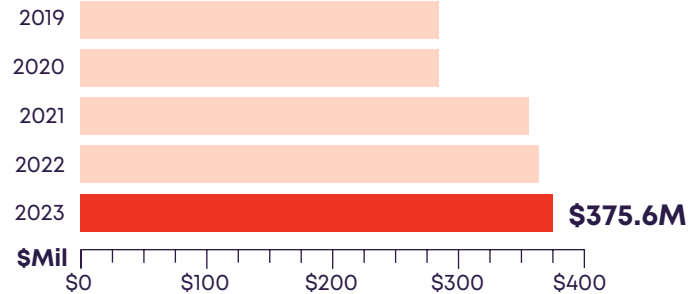
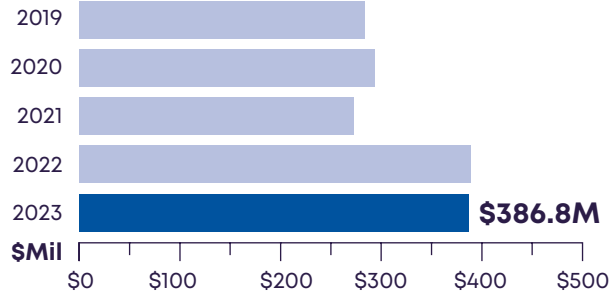
12.3% oz.lotterywest

Sales by game



* Figures on this page are rounded.

Game sales *history*



Our brand

Advertiser of the Year

Lotterywest was awarded WA Campaign Brief Advertiser of the Year at the prestigious advertising industry awards. It recognises our focus for the last 12 months to renew and adapt our brand and media strategy. With support from our creative and media agencies, 303 MullenLowe and Initiative, we were able to challenge all assumptions and find ways to improve even further in 2022-23 with our brand strategy centralised around the concept of 'Responsible Growth'.



Lotterywest's WA Campaign Brief award for Advertiser of the Year.

Brand refresh

In April 2023, the roll out of our corporate brand refresh started as part of a broader brand strategy review. This was the first refresh in four years and ensures our brand remains contemporary and creates joy and excitement.

That's the Ticket

Following the successful launch and performance of the That's the Ticket campaign in June 2022, a series of new commercials ran in September 2022 and January 2023. The campaign continued to focus on strengthening the link between buying a Lotto ticket and contributing to improving the lives of the Western Australian community through our grants program.

The new commercials showcased a range of different grants to demonstrate the breadth of support across the State, and in turn, appeal to and drive advocacy for Lotterywest with a broad audience.

Between the launch of That's the Ticket in June 2022 and March 2023, the percentage of the WA community that associate Lotterywest with 'gives back to the community' increased from 57 per cent to 66 per cent (Metrix Brand Health Survey).

\$40 Million New Year's Eve Megadraw.



Keeping Saturday dreams alive

In July 2022, a mid-year Saturday Lotto Megadraw event offered a Division One prize pool of \$30 million. This event built on brand equity established by the end of year Megadraw, traditionally held on the last Saturday in December.

While our December New Year's Eve Megadraw campaign centred around the excitement of ringing in the new year with a countdown twist, a new campaign Winter Daydream was created to focus to how your Saturday dreams will brighten any winter day.



Powerballin' campaign image.



Lotterée campaign image.

Powerballin'

A new creative campaign Powerballin' launched alongside the Powerball game change in May 2023. This campaign saw the retirement of the successful Powerball Problems campaign that had been in market since 2019.

The Powerballin' campaign showcases how a Powerball win gives winners the freedom to do the things no one would dream of doing in their regular lives – and a chance to live life the way they choose.

A highlight of the campaign was developing a Powerballin' soundtrack. This soundtrack was powered by the music stylings of Boorloo (Perth) based Noongar and Wongi man and award winning hip-hop artist Flewnt (aka Joshua Eggington) in collaboration with local sound studio Panda Candy.

Hooray for the Lotterée

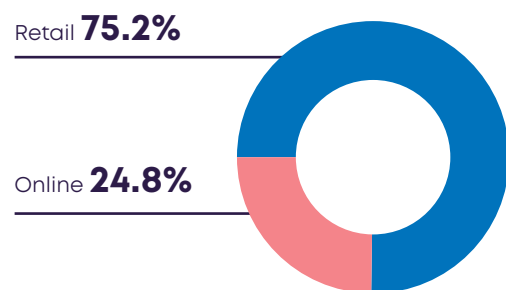
The OZ Lotto Lotterée campaign continued to build momentum following its launch in May 2022 with campaign activity in November 2022 and February 2023. The campaign characters Sue and Glenn are on their way to being Western Australia's most talked about couple, with awareness and consideration of the game continuing to improve.

Our retail *network*

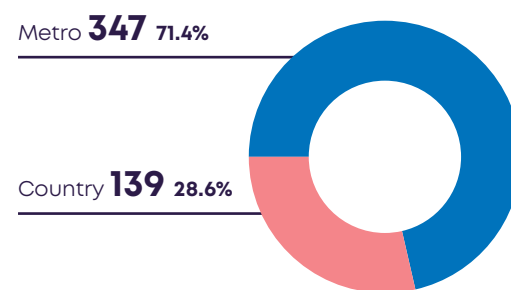
Player channels

Lotterywest's products are available through retail and online channels. As at 30 June 2023, there were 486 lottery stores trading in our retail network, a reduction of three stores on previous year.

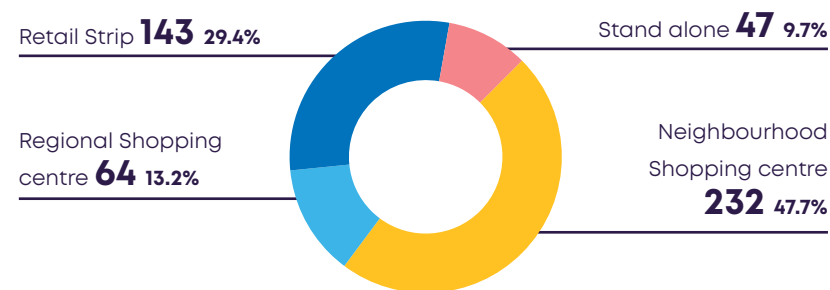
Player channels



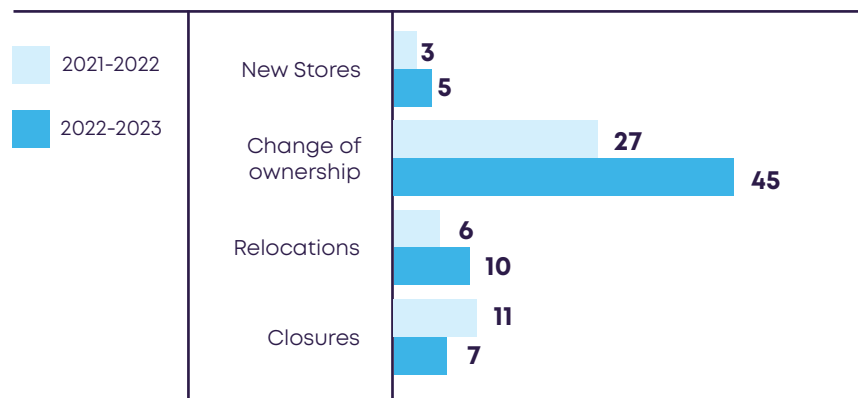
Store locations



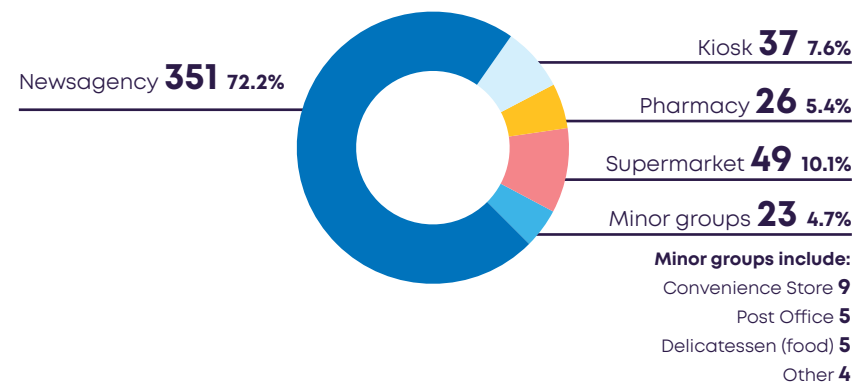
Lotterywest retailers by business environments



Retail network changes



Lotterywest retailers' primary business type





Nextra Forum West Newsagency owner Glenn Cornish

“Knowing that we have played some small part in helping these families when they have nowhere else to go is immensely satisfying.”

Retailer *profiles*

Glenn Cornish

For more than a decade, Nextra Forum West Newsagency owner Glenn Cornish has supported Variety – the Children's Charity.

The charity assists children and families facing challenges brought on by sickness, disability or disadvantage.

Glenn said he was sold on the concept of travelling with friends across remote areas of Australia in an old car, accompanied with like-minded people.

“All this while raising money for a great cause, it sounded like a reasonable proposition, so I signed up,” he said.

Around 13 years later Glenn and his team – the Middle-Aged Ninja Turtles, bash their way towards their goal of raising money for the charity.

“I have heard many stories from families about the profound impact Variety – the Children's Charity has had on their life and every one of those stories reinforces the work we do in raising funds.

“Knowing that we have played some small part in helping these families when they have nowhere else to go is immensely satisfying.”

Glenn and the middle-aged turtles have been fortunate enough to see the less travelled parts of Australia in a 45-year-old car – from Darling Harbour in Sydney to Fremantle, from Esperance to Kununurra.

In the process his team have raised more than \$250,000.

Jean Chalmers

Lotterywest retailer Jean Chalmers was recognised in 2022 for her dedication to the Shire of Wickepin by being named the 2022 Citizen of the Year.

As the proprietor of the Wickepin Newsagency for more than 10 years, she has gone above and beyond in her personal contribution and generosity to the community.

Regularly volunteering at the Albert Facey Homestead, she delivers a valuable town service by giving tourists an opportunity to see and enjoy this iconic attraction.

When the town was impacted by bushfires, Jean opened her kitchen to the volunteers fighting the fires. Jean's selfless and generous message of "just use whatever you need" was greatly appreciated by the firefighters, many of whom hadn't eaten all day.

Over the years, Jean has been a supporter of all things Wickepin and readily contributes to sponsorship and fundraising causes across the community.

**Jean Chalmers was
recognised in 2022
for her dedication to
the Shire of Wickepin by
being named the 2022
Citizen of the Year.**



Media coverage

This year attracted media interest across print, TV, radio and online channels for Lotterywest games and grants. Some of the highlights from the year are included.



30-year change up leads to \$1.3 million Saturday Lotto win

A South West couple's decision to change up a 30-year tradition has guided them to a \$1.3 million Saturday Lotto Division One prize.

After playing the same numbers for the past three decades, the couple decided to play last weekend's Saturday Lotto with a Slikpik instead.

That decision and a ticket from Callows Corner in Busselton helped them match the numbers to a Division One prize in the draw on 25 February.

"We played with our own numbers for more than 30 years, but gave up and got a Slikpik instead," the winner said.



\$40 million Powerball prize claimed by Swan Valley family

WA's \$40 million Powerball winner has discovered their incredible win after having initially forgotten he had purchased a ticket in the draw.

The Swan Valley father bought the ticket, a Slikpik 18, from Springs News in Bennett Springs just an hour before draw close as a spur of the moment decision.

While the news of the big win is still sinking in, the family enjoyed an initial celebration of fish and chips for dinner.

"We're a tight family and will share the win together, making sure our kids and grandkids are looked after."

\$30 million prize claimed by golf mates

Celebrations have already started for a group of eight friends in their 40's who discovered they matched the winning numbers to last night's incredible \$30 million OZ Lotto jackpot.

The northern suburbs unofficial syndicate, which started over friends playing golf together, couldn't believe they had the winning ticket, a Slikpik 50, now worth \$30 million.

While enjoying a roast beef dinner with his wife, the ticket holder checked the ticket online and couldn't believe his eyes.

"I started making calls to the rest of the group to tell them we'd won," he said.

"One of the guys didn't believe me and went back to eating his dinner.





Grants

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- 64 Screenwest
- 65 Perth Festival

Grants *overview*



A record

\$351.5M

Total given in direct grants and statutory allocations



\$221M

Statutory allocations

Health

\$176.8M

Arts

\$22.1M

Sports

\$22.1M



\$130.6M

Direct grants

Developing solutions

\$9.2M

Community-led

\$121.3M

521

grant applications
received



97%

approved

\$7.7M

Perth Festival



\$7.7M

Screenwest

* Figures are rounded and not inclusive of writeback or refund amounts

Statutory allocations



Perth Festival. Photo: Jwyld.

We distributed nearly \$221 million in statutory allocations to health, culture and the arts and sport this financial year. The Act specifies how net gaming revenue, that is ticket subscription less prize payment, is to be distributed. Of this, 40 per cent is to be distributed to the State Pool Account on behalf of WA Health. A further five per cent is specified for the Sports Lotteries Account and five per cent goes to the Arts Lotteries Account. The respective Minister for each of these portfolios is responsible for the subsequent distribution of these funds.

Health

Lotterywest has provided \$176.8 million in funding to hospitals and health services across the State, assisting the WA health system to deliver safe, high-quality and sustainable care for Western Australians.

In the past 12 months, the WA health system has:

- Received more than 1.1 million emergency department visits.
- Performed 79,943 elective surgery operations.
- Delivered 30,616 babies.



Busselton Jetty Swim.



Bikini Kill. Photo: Cam Campbell.

Culture and the arts

In 2022-23, the \$22.1 million funding received by the Department of Local Government, Sport and Cultural Industries through the Arts Lotteries Account supported arts and culture organisations to present a year-long program of diverse and engaging activities, providing something for everyone in the community.

Sport

In 2022-23, the Department of Local Government, Sport and Cultural Industries received \$22.1 million through the Sports Lotteries Account. This funding was distributed to sporting organisations and programs across Western Australia to enable dynamic and inclusive communities, while contributing to a vibrant and connected State.

Direct grants

This year, Lotterywest provided 489 direct grants with a combined value of \$130.6 million, including payments to Screenwest and Perth Festival who received \$7.7 million each within the limits of the *Lotteries Commission Act 1990*.

Our grant-making is based on the following principles:

- We are outcomes focused.
- Relationships and collaborations are valued.
- Our approach is developmental, flexible and responsive.
- Rigour and consistency is applied for fair grant-making.
- We consider where we can best add value in the broader funding landscape.
- We are aligned to Healthway for collaborative change.
- We seek to understand impact for continuous improvement.

To help us achieve our vision of Building a Better WA together, the Lotterywest Healthway Community Investment Framework (see page 48) underpins Lotterywest's grant making approach. We support initiatives that align with one or more of the priority areas and associated outcomes. The Active healthy people priority area is primarily delivered by Healthway.

Community Legacy

The Community Legacy grant program is unique in terms of its size, scale and focus. It seeks to change the story of Western Australia for the better by supporting large-scale initiatives that profoundly impact and benefit the WA community. Lotterywest is developing a Strategic Framework to guide our considerations and delivery of legacy projects into 2023-24.

Developing Solutions

The Developing Solutions grant program recognises that change takes time and requires new ways of working together. This might involve working across sectors, piloting new approaches, scaling up existing projects or focusing on a whole system to achieve change.

The program consists of three focus areas:

- Bridging the digital divide.
- Ecosystem conservation and restoration.
- Truth-telling and reconciliation.

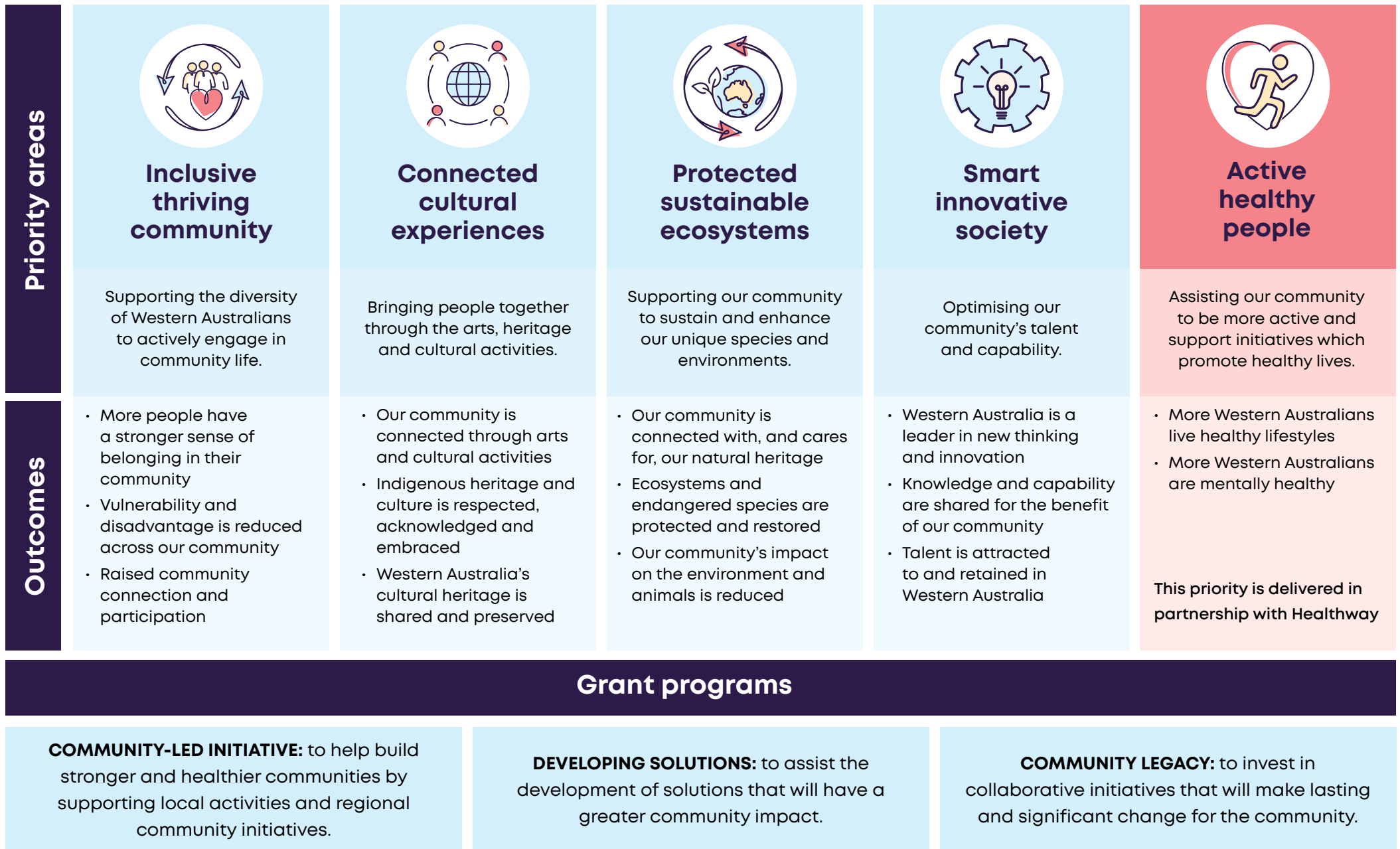
In 2022-23 we provided 10 grants totalling \$9.2 million under the Developing Solutions stream.

Community-led

The Community-led grant program helps turn needs and opportunities into action. We work responsively to support organisations develop and implement initiatives that benefit communities. In 2022-23 we provided 479 grants totalling \$121 million across each of the priority areas of the Community Investment Framework.

* Figures are rounded and not inclusive of writeback or refund amounts

Community Investment Framework



Direct grants by region of *benefit*

106 grants \$57.8M - Statewide

22 grants \$10.4M - Kimberley

8 grants \$3.6M - Pilbara

12 grants \$2.5M - Gascoyne

20 grants \$2.9M - Mid West

27 grants \$1.7M - Wheatbelt

189 grants \$36.8M - Perth Metro

24 grants \$1.0M - Peel

40 grants \$6.6M - South West

24 grants \$1.5M - Great Southern

17 grants \$5.8M - Goldfields-Esperance

489 grants \$130.6M - Total

* Figures are rounded and not inclusive of writeback or refund amounts

** Statewide are grants delivered across two or more regions



Lotterywest grants team on the road.



Bec Stott , Kathryn Laferla,
Hon Sabine Winton MLA, Mark
Glasson, Leone Cottam-Williams and
Philippa Boldy from Anglicare WA.

Crisis and Emergency *relief*

\$10 million additional funding

- The 2022-23 financial year was tough for many Western Australians experiencing financial hardship as a result of the cost-of-living crisis.
- In response to community need, Lotterywest increased its funding assistance for crisis and emergency relief by \$10 million.
- These funds were provided to more than 55 organisations, to the value of \$10.8 million (as of April 2023), across Western Australia who work in the areas of community

services, homelessness, family and domestic violence, mental health, youth and financial counselling.

- The funds were used to help organisations support individuals and families by providing essential items including food, clothing, accommodation, transport and cost of living expenses.
- Lotterywest continues to work with government agencies and the community services sector to ensure its significant contribution supports areas where the need is the greatest.

* Figures are rounded and not inclusive of writeback or refund amounts

Supporting Aboriginal *communities*

Lotterywest has a long history of supporting ideas that benefit Aboriginal people and communities, promote culture, and build futures.

We recognise the importance of supporting Aboriginal-led initiatives that will deliver meaningful outcomes for Aboriginal people and communities. We walk alongside Aboriginal organisations, working collaboratively to help turn their ideas into reality.

The Community Investment Framework provides a range of opportunities for projects and initiatives supporting Aboriginal people and communities across such areas as the environment, culture, innovation, community connection, reconciliation, caring for country, and truth-telling.

In 2022-23, 54 grants totaling \$23.8 million were approved towards projects and initiatives supporting Aboriginal people across WA. These grants were distributed across 48 organisations, of which 13 were first-time Lotterywest grant customers.



Badgebup Aboriginal Corporation.

Examples of our support for Aboriginal people include:

Aboriginal Art Centre Hub of Western Australia Aboriginal Corporation: \$2,512,800

This three-year grant will enable an Aboriginal-led art and sector strengthening program called 'Our Country Moves' and a one-year project to develop an understanding of the cultural infrastructure for Aboriginal arts and cultural centres across WA. Our Country Moves will facilitate cultural exchanges between WA Aboriginal art centres and artists to deliver a sector-wide skills development program along with a world-first exhibition showcasing and promoting WA Aboriginal art nationally and internationally.



Badgebup Aboriginal Corporation: \$140,000

The Badgebup Rangers are getting ready to mobilise to another project, supported by Lotterywest funding for vehicles. The Badgebup Aboriginal Corporation has a targeted capacity building program, underpinned by a social return on investment policy, which focusses on upskilling local Noongar people, with the relevant resources to deliver a range of conservation and land management projects in WA. The Badgebup Ranger workforce was formed as a result of start-up funding received from the State Government's Aboriginal Ranger Program as an emerging group in 2020-22.

Aboriginal Health Council of Western Australia: \$300,000

Support will be provided through this grant to Aboriginal Community Controlled Health Services, enabling them to enhance the health and wellbeing of Aboriginal people across WA. The grant will be used to address such needs as: strategic and business development planning, governance, ICT equipment and software, training and education to build staff and Board capacity and marketing strategies.

Tjarlirli Art Indigenous Corporation: \$28,250

Through this grant, a return-to-country trip and camp will enable custodians and artists to visit culturally significant sites in very remote locations within the Tjukurla region. These sites will be mapped and preserved for future generations through sharing and capturing stories, knowledge, and songs.

Reconciliation (WA) Incorporated: \$505,895

This two-year grant will support a Statewide community engagement project to inform and drive strategic place-based reconciliation programs across Western Australia. The project aim is to build a framework of actionable projects and collaborations to create equality, opportunity and positive outcomes for Aboriginal people in Western Australia.

* Figures are rounded and not inclusive of writeback or refund amounts

Community Impact *Hub*

In December 2022, Lotterywest and Healthway launched the Community Impact Hub. The online resource is home to free, user-friendly, practical tools to support better project design and foster consistency in understanding and approach to planning initiatives for impact.

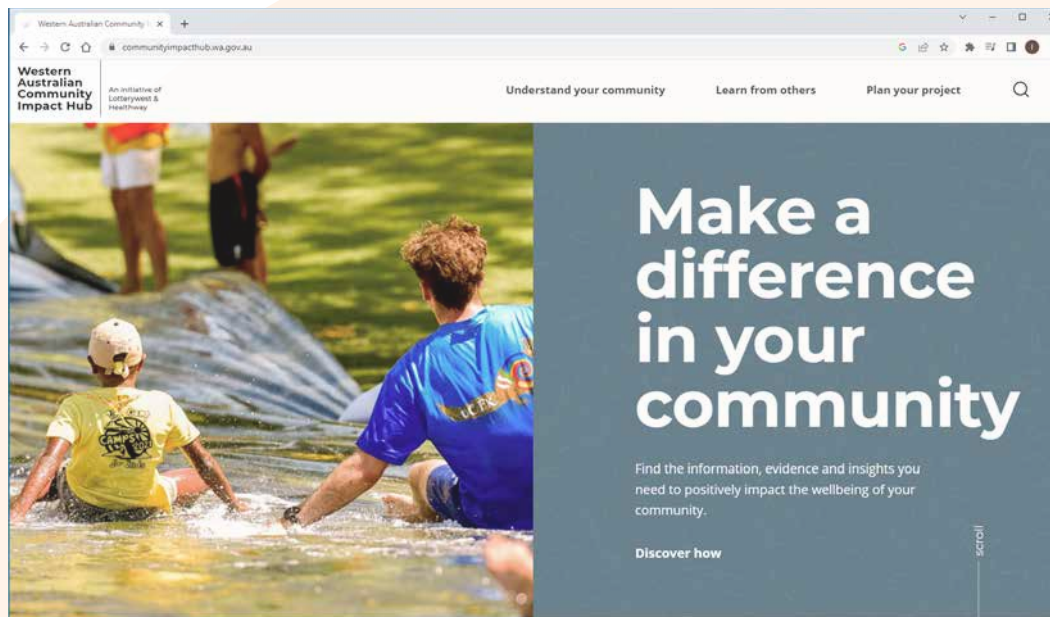
The Hub is designed to help demystify the outcomes-based grant-making journey and to share knowledge and insights to build capacity across the organisations and sectors we support.

Alongside a range of tools, it provides access to key community data and shared knowledge and insights from peers, peak organisations and sector partners.

For many of the organisations we work with, concepts of outcomes-based project planning and the models they might apply are still relatively new. We recognised the capacity gap around these emerging concepts, which are fast becoming

fundamental to grant, funding and philanthropic organisations and sought to address this equitably for the diverse sectors and communities with whom we work.

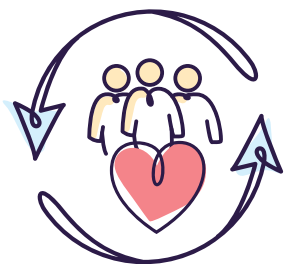
The Hub's tools and resources are designed to encourage our grant applicants to clearly articulate their intended outcomes and their approach to evaluating success. Data shows that by having an impact plan, organisations are more likely to achieve their intended impact.



Community Impact Hub landing page.



Spare Parts Puppet Theatre at the Joondalup Festival. Photo: Danica Zuks.



Inclusive thriving community

We've invested in this priority area to support the diversity of Western Australians across the State and create active engagement in community life.

299 grants totalling \$77,680,008

Together with our grant customers we've supported:

- More people having a stronger sense of belonging in their communities: 16 grants totalling \$6,496,818.
- Reducing vulnerability and disadvantage: 164 grants totalling \$47,386,632.
- Raised community connection and participation: 119 grants totalling \$23,796,558.

* Figures are rounded and not inclusive of writeback or refund amounts

King River Recreational Club: \$57,480

Lotterywest is supporting the construction of a community facility offering a range of art, educational and social activities, thanks to a \$57,480 grant.

The space will be home to a new studio, with lining and heating for the 284 residents of King River and surrounding communities of Lower King, Kalgan and Bayonet Head in the Great Southern.

Currently the group runs activities, workshops, courses and events from the King River Hall, leased from the City of Albany.

This request will grow its current programs and shift wet activities not suited to the heritage listed King River Hall to the new facility.

Hon Rebecca Stephens with King River Recreational Club members.





City of Swan: \$2,000,000

This year, the City of Swan officially opened its multi-purpose youth centre to support young people in the heart of Ellenbrook.

The space is providing young people with a space to socialise, connect, and participate in a range of health, wellbeing and development activities.

The centre includes basketball courts, playing fields, shaded places to sit and hang with friends, a creative studio, first aid room and laundry and cleaning facilities.

City of Swan Mayor, Cr David Lucas said the centre would not have been possible without the support of the WA government and numerous organisations.

Sailability WA: \$7,500

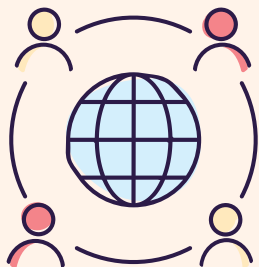
Sailability WA offers people with disability the opportunity to sail, regardless of ability or circumstances.

A \$7,500 Lotterywest grant is contributing towards a floating dock for a safety boat to support the participation of sailing activities for people living with disability.

Through this grant, Sailability WA can ensure its safety boat is operational and fully functional for special events during the summer season activities for years to come.



Photo: Hon Dr Katrina Stratton presents Lotterywest certificate to Sailability.



Connected cultural experiences

We've invested in this priority area to bring people together through the arts, heritage and cultural activities.

**159 grants totalling
\$38,237,233**

Together with our grant customers we've supported:

- Our community to connect through arts and cultural activities: 127 grants totalling \$11,578,193.
- Indigenous heritage and culture to be respected, acknowledged and embraced: 22 grants totalling \$9,217,933.
- WA's cultural heritage to be shared and preserved: 8 grants totalling \$2,041,107.
- Perth Festival: \$7,700,000.
- Screenwest: \$7,700,000.

* Figures are rounded and not inclusive of writeback or refund amounts



Making Tracks Adventures.
Photo: Cody McColl.

Shire of Kojonup: \$31,100

Preserving the cultural history of Aboriginal people across the State plays a hugely important role in reconciliation and ensures their culture can be celebrated into the future.

A grant of \$31,000 from Lotterywest is enabling young people to record and preserve Kaneang Noongar culture in the Shire of Kojonup, both personally for the Kaneang community, as well as recording the stories of the elders for posterity to hold in Storyplace at The Kodja Place, making them accessible to all.

The grant for a 12-week project during NAIDOC week focused on teaching and mentoring eight young members of the Kojonup community, with an emphasis on youth from the Kaneang Noongar community.

Bringing Them Home: \$735,000

Lotterywest is supporting Bringing Them Home WA and the related organisation, the West Australian Stolen Generations Aboriginal Corporation, in a partnership with Curtin University, to develop virtual reality (VR) tools for trauma-informed truth-telling.

This three-year project is researching and developing VR tools to be used by schools, universities, corporate organisations and Aboriginal organisations to provide an authentic, unfiltered and decolonised perspective of a significant part of Western Australian history.

The use of VR technology for truth-telling and healing is largely untested and this project presents the opportunity to incorporate Aboriginal-specific and culturally safe approaches to better support Aboriginal people, especially for Stolen Generation Survivors and their descendants, who represent 57 per cent of the adult Western Australian Aboriginal population. This initiative will also contribute to efforts to eliminate racism, promote understanding and improve service delivery for Aboriginal people.

“This research project is particularly important as it provides us with an opportunity to support the healing of Stolen Generations survivors and also educate the broader community about the significant ongoing impact of past policies that removed Aboriginal children from their families, their country and their culture,” said Tony Hansen, Co-Chair of Bringing Them Home WA.



Bringing Them Home WA Co-Chairs Alan Carter and Tony Hansen, West Australian Stolen Generations Aboriginal Corporation Chair Jim Morrison with Professor Reena Tiwari, Dr Dean Chan and Minister Hon Tony Buti MLA.

Photo: Perth Symphony Orchestra.



Perth Symphony Orchestra: \$157,669

Lotterywest is working with Perth Symphony Orchestra to build a sustainable music culture with the Narrogin community.

The 18-month program is uniting the people of Narrogin through the power of music by bringing musicians of all abilities together to form a wide variety of ensembles.

Activities include school visits, regular Perth Symphony musician and ensemble coaching sessions, mid-year performance opportunities and nursing home performances. A major community initiative, the Narrogin Haybale Concert will be the final performance of the Narrogin ensembles alongside Perth Symphony Orchestra on a Narrogin farm, in an outdoor venue created with haybales.

* Figures are rounded and not inclusive of writeback or refund amounts



Protected sustainable ecosystems

We've invested in this priority area to help sustain and enhance our unique plant and animal species and environments.

**22 grants totalling
\$10,344,006**

Together with our grant customers we've supported:

- Our community to be connected with, and care for, our natural heritage: 8 grants totalling \$5,912,812.
- Our community's impact on the environment and animals to be reduced: 9 grants totalling \$1,139,056.
- Ecosystems and endangered species to be protected and restored: 5 grants totalling \$3,292,138.

Murdoch University: \$1,541,210

Ngoolarks or Carnaby's cockatoos, have connected Noongar families for thousands of years, but with human pressures, we are in danger of losing them forever.

A \$1.5 million Lotterywest grant is supporting Murdoch University to launch a community empowerment program assisting researchers, Aboriginal organisations, local governments, and conservation groups to protect endangered birds.

Working with four local governments each year, the project includes revegetation of black cockatoo habitat and installation of water drinking stations, while developing black cockatoo conservation action plans.

Project lead Professor Kris Warren from Murdoch's School of Veterinary Medicine and the Harry Butler Institute said the aim was to provide effective ways for communities to support the survival of the birds, which are in danger of extinction within decades.

"A major threat to Ngoolarks is the clearing of their foraging habitat, including in the Perth-Peel region," Professor Warren said. "Without more food, we are watching them slip into extinction. Holistic community action can help save Perth's black cockatoos and by working together we can make a tangible difference."



Photo: Murdoch University.

* Figures are rounded and not inclusive of writeback or refund amounts



Perth NRM: \$719,000

RegenWA, a Perth NRM project, is a network of farmers and industry stakeholders who identify and share innovative regenerative farming practices to help restore the natural capital that our food systems depend on.

Lotterywest is supporting Perth NRM's collective impact project with a \$719,000 grant towards developing a landscape restoration framework and the expansion of its RegenWA community program to help farmers implement sustainable farming practices.

Currently, much of the WA agricultural landscape faces significant challenges including salinity, erosion, acidification, pest and disease resistance and climate change. The RegenWA program supports farmers who are implementing farming practices that focus on improving the health and sustainability of their land.

By bringing together and sharing the latest regenerative ideas and projects that are happening around the State in order to broaden the uptake of sustainable land management practices, RegenWA aims to create a future that everyone can be proud to pass onto the next generation.

Edith Cowan University: \$251,370

A Lotterywest grant worth more than \$251,000 is helping Edith Cowan University (ECU) develop a Climate Justice Toolkit, which will provide practical information and support for community service organisations around climate change and social justice issues.

The toolkit will house education materials about climate change and social justice, resources for organisations to understand impacts of climate change in their communities, guidance for mainstreaming climate justice across all streams of organisational work policy guidance and templates and case studies of best practice.

Dr Naomi Godden from ECU's Centre for People, Place and Planet says participatory research was undertaken with the community services sector to understand the level of literacy about climate change and social justice.

"Lotterywest's grant will enable ECU and community service partners to undertake Phase 2 of the project to further develop the Climate Justice Toolkit into a comprehensive resource," Dr Godden said.

Lotterywest and Healthway CEO Ralph Addis said Lotterywest was proud to partner with the university to develop the toolkit.

"The online resources and practical support delivered by the toolkit will play an important role in helping community organisations respond to the impacts of climate change, while more broadly supporting our community to sustain and enhance our environment in Western Australia," Mr Addis said.



Smart innovative society

We've invested in this priority area to optimise our community's talent and capability.

9 grants totalling \$4,301,761

Together with our grant customers we've supported:

- Western Australians to be leaders in new thinking and innovation: 2 grants totalling \$648,900.
- Knowledge and capability to be shared for the benefit of the community: 7 grants totalling \$3,652,861.

RDA Peel: \$100,000

A \$100,000 Lotterywest grant to Regional Development Australia Peel is contributing to a 12-month program dedicated to attracting and retaining young talent in Western Australia.

Trail Blazers aims to inspire leaders in innovation through mentoring, events and activities which expose young people to innovation, life skills and education.

The goal is to retain talent in WA by using STEM as a tool to engage people who may not have education in these fields and would not have the chance to do so without this opportunity.



Photo: Regional Development Australia Peel.

* Figures are rounded and not inclusive of writeback or refund amounts

St Catherine's College: \$393,900

St Catherine's College are renovating the Centre for Youth Innovation, which aspires to develop knowledge and capability for young people in WA communities.

The renovations, which aim to be completed by the beginning of 2024, have been made possible thanks to a \$393,900 Lotterywest grant.

St Catherine runs the Bloom program, giving people between the ages of 10-30 years old the chance to learn about innovation, develop an entrepreneurial mindset, and build enterprise skills.

The program has become a lead provider of youth innovation in WA, delivering events, workshops, programs and development for school and university aged students, and teachers in youth innovation.

Bloom is open to all young people and works across all universities and 70 schools and has extended its programs to focus on reaching regional areas and low socioeconomic metropolitan areas.



Photo: St Catherine's College.

* Figures are rounded and not inclusive of writeback or refund amounts

Lotterywest and Healthway co-investment

Healthway and Lotterywest continue to work together to pave the way for opportunities to align our grant making strategies and in turn maximise community support.

Through our grant making strategy, the Community Investment Framework, we support the WA community to be more active and support initiatives which promote healthy lives.



Albany's Children's Chorus rehearsal. Photo: Nic Duncan.

WA Opera: \$130,000

Lotterywest and Healthway co-investment is supporting WA Opera's new Community Outreach Program. The pilot aims to strengthen the social and emotional wellbeing of children and young people through the arts. Guided by the Telethon Kids Institute, the 18-month pilot will work with City of Gosnells, City of Cockburn, the North Midlands Project and local youth advisory groups to tailor a variety of vocal, choir and mixed opera workshops relevant and meaningful to young people in each community. Healthway's funding will support the delivery of the entire pilot over three phases: consultations and school workshops, community immersion workshops and community choral phases. Lotterywest's support is a co-contribution to phases two and three.

Developing an evidence-based mental health promotion framework that could be shared with other arts organisations would be one of the pilot's main goals.

"Enhancing the social, emotional and mental wellbeing of young Western Australians through singing has proven to be great for confidence and self-esteem," Teresa Letizia, Education Manager, WA Opera said.

"Not only can it help young people find their own voice and explore their creativity, but it also makes them feel good and for the first time we can engage with the Telethon Kids Institute to develop robust, evidence-based methodologies to our community outreach practices."

* Figures are rounded and not inclusive of writeback or refund amounts



Curtin University's research team for "Fleeing the war across oceans" Photovoice project
Dr Tetiana Bogachenko, Larysa Chybis, Georgia Griffin, Yuan Lim.

Professor Jaya Dantas, Curtin University.

"The project will empower Ukrainian displaced people and provide them with a sense of belonging in their new community in Western Australia, which will help with their psychosocial wellbeing."

Curtin University: \$30,838

Curtin University received more than \$60,000 in funding from Lotterywest and Healthway (\$30,838 from Healthway and \$30,838 from Lotterywest) to develop an arts-based project to support the mental health, trauma and psychosocial wellbeing of Ukrainian people displaced by the war.

Despite strong public and government support for Ukrainians, the initiatives to support them have been developed ad hoc with little consideration for particular groups, their context and circumstances. This project aims to develop a better understanding of their experiences, challenges and needs to inform the policies and initiatives that aim to assist displaced Ukrainians through the arts.

Ukrainian participants (displaced persons who came to Perth due to the war) will take part in participatory therapeutic practices (through interviews and Photovoice) so they can reflect and share their experiences in a creative and meaningful way and gain useful photography skills and knowledge. This project will also assist them in developing social networks, positively impacting health and wellbeing in the long-term.

The participants work will raise awareness about their experiences and the impact of displacement on wellbeing amongst the wider community through exhibitions, school visits and a website.

At the end of this project, Curtin University will develop a report on the key findings and recommendations for the community, policy makers and service providers to help inform successful settlement and integration programs in WA. There will also be an accompanying travelling exhibition of participant photographs with the first exhibition displayed during Refugee Week in June 2023. Healthway funding supports the delivery of the project, while Lotterywest funding assists with salary support, facilities for workshops and exhibition space and interpretation.

* Figures are rounded and not inclusive of writeback or refund amounts

Screenwest

Lotterywest provided Screenwest with a \$7.7 million grant to support the production of screen projects in WA for the 2022-23 financial year.

In addition to providing valuable funding for local documentary and scripted productions, Lotterywest's investment also supports skills and business development opportunities for WA screen practitioners, programs for First Nations Australians, as well as WA film festivals Revelation Perth International Film Festival and CinefestOZ.

Lotterywest supported productions released during the financial year included:

Rikki Lea Bestall, Screenwest CEO

"A massive thank you to Lotterywest and the WA State Government, who have been supporting the WA screen industry, through Screenwest, for over 27 years. Their ongoing support is vital to the growth of our local industry and enables WA creatives, crew and production companies to bring WA stories to life and share them with audiences locally, nationally and internationally."

Ningaloo Nyinggulu (Documentary Series)

3 x 1-hour series – screened on ABC.

Celebrated author and conservationist Tim Winton takes us to one of the Earth's last truly wild and intact places, Western Australia's global treasure, Ningaloo.

On this personal and immersive journey, Tim celebrates some of Ningaloo's many secrets and wonders, introduces us to its protectors and custodians, goes in search of new knowledge about its three mighty ecosystems, and showcases the region's role as a beacon of hope amid our extinction crisis and climate emergency.

Ningaloo Nyinggulu is produced by WA production company Artemis Media in association with Matter of Factual.

100% Wolf: The Book of Hath (Animated Series)

26 x 22mins – screened on ABC.

The series takes 100% Wolf's legion of fans on magical adventures as were-poodle Freddy and his friends return to Howlington to broaden their understanding of werewolf lore and magic, putting this knowledge into practise as they face their most formidable foes yet. Our heroes go paw to paw with ancient dark magic in an epic battle through time and space to save Milford, werewolves, and the world as we know it.

Produced by Flying Bark Productions and co-produced by WA production company and post house Siamese, the computer-animated mystery is based on the book 100% Wolf by WA children's author Jayne Lyons.



Blueback. Photo: David Dare Parker.



Perth *Festival*

In 2023, Perth Festival reconnected with the world and celebrated its 70th anniversary by looking upwards and outwards and singing to the stars.

With the support of \$7.7 million from Lotterywest, more than 207,000 people experienced 139 events, resulting in a palpable joy and connection between artists and community under the 2023 Festival theme of Djinda (Stars).

The program was filled with stories of the cosmos, from the evocative Noongar-led free opening spectacle Djoondal at Lake Joondalup to the Between us light installation that beamed Western

Australians' messages of hope into space over the closing weekend.

In between, audiences celebrated art without borders for the first time since 2020 by welcoming such international artists as Björk in concert with local choir Voyces, Bikutsi 3000 from Cameroon artist Blick Bassy and Kronos Quartet performing with Noongar composer Maatakitj (Dr Clint Bracknell).

The Festival showcased many new works by local artists, including the Australian premiere of Tim Winton's Blueback at Lotterywest Films, Sensorium Theatre's immersive show Wonderbox for children with

"What a privilege it is to have Lotterywest support to create experiences that allow Western Australians to renew their love for this place and enjoy the finest artists from around the country and around the world. That support has made everything possible in so many ways."

Perth Festival Artistic Director **Iain Grandage**

disability and WA Youth Theatre Company's Seven Sisters.

For the second year, the Festival hit the road with its Touring WA program creating lasting memories for new audiences from the Great Southern to the Pilbara. Also connecting thousands of people in exciting new ways was the Festival Connect program of arts sector support, creative learning, and community engagement opportunities.

Lotterywest warehouse staff.



Workforce and organisational development

Building workforce capability

This year, we were guided by our Strategic Workforce Plan 2020-2023 which outlines our strategic initiatives, focus areas and actions to increase workforce capability, improve workforce diversity and strengthen integrity and compliance.

We continued to strengthen the capability of our workforce through a range of targeted and strategic programs across strategic communication, change and technology to provide a solid foundation to deliver on the priority focus areas of our next Strategic Plan.

In 2022-23, Lotterywest commenced a number of strategic capability and transformative initiatives to support the agency deliver its program of significant projects in the coming years. We initiated a review of our operating model and approach to workforce resource planning to examine our organisational effectiveness, approach to work and bottlenecks to uncover opportunities for deliberate change.

We acknowledged that our work to enhance our ability to plan, utilise and develop our workforce is underpinned by our approach to attract and retain talent in a highly

competitive environment. Lotterywest launched a new Employee Value Proposition (EVP) project to map, develop and establish our employer brand, our offering as an employer of choice and capitalise on Lotterywest's overall brand strength and standing across Western Australia.

With the support of the wider public sector, Lotterywest continues to implement our commitment to the Public Sector Commission's Building Leadership Impact program and progress continues into 2023-24.

Workforce agility

In 2022-23, we committed to a flexible and agile approach to work and formalised our commitment to such arrangements through our Flexible Work Policy. The policy is supported through a range of technology, mobility and building fit-out initiatives that provide our workforce with the environment to work more collaboratively and effectively. This approach and outcome is aligned to our broader focus to create an environment that attracts, develops, values and retains our people.





Disclosures and legal compliances

69 Key Performance Indicators

73 Other legal requirements

Key Performance Indicators

Certification of performance indicators

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 2023.



Professor Peter Klinken AC
Chair
Accountable Authority
24 August 2023



Mr Stephen Carre OAM
Commissioner
Accountable Authority
24 August 2023

Outcome statement

Lotteries are conducted with the net 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 2022-23	Budget 2022-23	Actual 2021-22	Actual 2020-21	Actual 2019-20
1. Sales per adult	\$548.49	\$454.22	\$544.35	\$487.59	\$455.49
2. Total allocation to beneficiaries per capita	\$125.32	\$105.43	\$116.40	\$115.14	\$110.05
3. Total allocation to beneficiaries as a % of sales	28.74%	29.25%	26.90%	29.65%	30.47%

Efficiency Indicators	Actual 2022-23	Budget 2022-23	Actual 2021-22	Actual 2020-21	Actual 2019-20
4. Lottery operations expenses as a % of sales	5.68%	8.37%	5.57%	5.47%	7.47%
3. Grants operations expenses as a % of direct grants approved	11.75%	15.41%	12.26%	10.48%	11.04%

Base Data (million)	Actual 2022-23	Budget 2022-23	Actual 2021-22	Actual 2020-21	Actual 2019-20
a. Total population	2.8049	2.7037	2.7746	2.7215	2.6558
b. Adult population	2.2297	2.1458	2.2056	2.1675	2.1062
c. Total sales	\$1,222.97	\$984.41	\$1,200.65	\$1,056.87	\$959.35
d. Total allocated to beneficiaries*	\$351.51	\$287.91	\$322.98	\$313.37	\$292.28
e. Total approved direct grants*	\$130.56	\$110.00	\$105.42	\$122.18	\$118.21
f. Lottery operations expenses	\$69.42	\$82.40	\$66.90	\$57.77	\$71.68
g. Grants operations expenses	\$15.34	\$19.80	\$12.93	\$12.80	\$13.05

Note:

* No adjustment for write back of unused and returned grants.

Notes to the Key Performance Indicator tables

Effectiveness Indicators

1. This measure shows the effectiveness of Lotterywest in entering the players' market that is considered to be the adult population in Western Australia. The positive variance in sales per adult to budget is a result of a record year in sales where both budget expectations and prior financial year performance were exceeded. Despite a decline in cumulative events year on year (-5.2%) current year sales performance (\$1.223 billion) was up 1.9% due to sales uplifts across the board including a full year record for Scratch'n'Win sales. Whilst year on year sales growth was softer, it comfortably outpaced population growth, surpassing the budget by more than 20%.

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 result to budget this year is due to higher statutory and direct grants allocation. This is a direct result of record-breaking sales and Lotterywest's ongoing commitment to support the community.
3. This measure shows the effectiveness of Lotterywest in converting sales revenue to community grants. Sales have increased to record levels, total return to beneficiaries also increased from funds generated by additional sales above budget.

Efficiency Indicators

4. This indicator shows the efficiency of Lotterywest in generating its lottery sales revenue. It excludes Grant Operations expenses. Whilst year on year sales growth slowed, the result against budget was still favourable due to sales comfortably surpassing budget targets and an underspend in operational activities which related mainly to strategic initiatives progress.
5. This measure shows the ratio of expenditure associated with the grants distribution to not-for-profit and benevolent organisations. The favourable result against budget this year is due to both grants operation expenses and grants approved having favourable results against budget. The ratio has improved compared to the prior year result with the uplift in direct grants exceeding the increase in Grants operation expenses during 2022-23.

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.

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 2022-23. It excludes Other Income derived by Lotterywest.

- (d) This item shows the total of all statutory and direct grants allocated for 2022-23, excluding forfeited amounts reallocated from prior years.

Beneficiaries refer to the allocation prescribed in the *Lotteries Commission Act 1990* to the Hospital Fund, the Sports Account, the Arts Account and to eligible organisations for "approved purposes".

- (e) This item shows the total direct grants allocated for 2022-23, excluding forfeited amounts reallocated from prior years. For the purpose of these indicators, the Goods and Services Tax (GST) has been excluded from expense calculations.
- (f) Lottery operating expenses of \$69.42 million reflect all operational costs associated with selling of lottery products (excluding cost of goods sold and GST).
- (g) Grants operations expenses of \$15.34 million reflect all operating costs undertaken in providing the grant funding administration and distribution function. It excludes the cost associated with servicing Healthway, which is recovered under the Service Level Arrangement.

Ministerial Directives

In 2022-23, there were no ministerial directives issued.

Governance disclosures

Enabling legislation

Lotterywest operates under the *Lotteries Commission Act 1990* (WA) (the Act) and its subsidiary legislation. Our functions under the Act are to conduct lotteries and to perform any other function vested by the Act, primarily concerning the assessment, distribution and administration of grants.

Our subsidiary legislation includes:

- Lotteries Commission (Authorised Lotteries) Rules 2016
- Lotteries Commission (Designated Authorities) Regulations 1998
- Lotteries Commission (Instant Lottery) Rules 1996
- Lotteries Commission (Policy Instruments) Regulations 2010
- *Lotteries Commission Act 1990*
- Lotteries Commission Regulations 1991

Other key legislation impacting on Lotterywest's activities include :

- *A New Tax System (Goods and Services Tax) Act 1999* (Cth)
- *Associations Incorporation Act 2015*

- *Auditor General Act 2006*
- *Betting Control Act 1954*
- *Charitable Trusts Act 2022*
- *Competition and Consumer Act 2010* (Cth)
- *Copyright Act 1968* (Cth)
- *Corporations Act 2001* (Cth)
- *Corruption, Crime and Misconduct Act 2003*
- *Disability Services Act 1993*
- *Electronic Transactions Act 1999* (Cth)
- *Electronic Transactions Act 2011*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Financial Transaction Reports Act 1995*
- *Financial Transaction Reports Act 1988* (Cth)
- *Freedom of Information Act 1992*
- *Fringe Benefits Tax Act 1986* (Cth)
- *Fringe Benefits Tax (Application to the Commonwealth) Act 1986* (Cth)
- *Fringe Benefits Tax Assessment Act 1986* (Cth)
- *Gaming and Betting (Contracts and Securities) Act 1985*
- *Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000*
- *Gaming and Wagering Commission Act 1987*
- *Industrial Relations Act 1979*
- *Interactive Gambling Act 2001* (Cth)
- *Interactive Gambling Regulations 2019* (Cth)
- *Minimum Conditions of Employment Act 1993*
- *Patents Act 1990* (Cth)
- *Privacy Act 1988* (Cth)
- *Procurement Act 2020*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Retail Trading Hours Act 1987*
- *Salaries and Allowances Act 1975*
- *Spam Act 2003* (Cth)
- *State Records Act 2000*
- *State Superannuation Act 2000*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Superannuation Act 2005* (Cth)
- *Superannuation Guarantee Charge Act 1992* (Cth)
- *Trade Marks Act 1995* (Cth)
- *Unclaimed Money Act 1990*
- *Western Australian Health Promotion Foundation Act 2016*
- *Workers' Compensation and Injury Management Act 1981*
- *Work Health and Safety Act 2020*
- *Workplace Gender Equality Act 2012* (Cth)

Conflict of interest

The Public Sector Commission's Code of Conduct and the Lotterywest Code of Conduct and Conflict of Interest Policy apply to the management of conflicts of interest held by members of the Commission or its officers.

Members disclose standing declarations in respect of any interests they may hold which are actual, potential, or perceived conflicts. In matters which may extend beyond association, members and officers are required to disclose the full extent of their interest and comply with an approved conflict of interest management plan. Such plans may include abstaining from voting or participating in a decision-making process related to the conflict subject matter.

Related party transactions

The Accounting Standards apply to the disclosure of related party transactions in the financial statements. At the date of this report, no senior officers nor any entities in which senior officers have a declared substantial interest, have had any interests in existing or proposed contracts with Lotterywest other than normal contracts of employment for services.

Directors and Officers liability insurance

Lotterywest has in place a Directors and Officers Liability Insurance policy which indemnifies members and directors (as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996*) against liability under Section 13 and 14 of the Act. The premium paid in 2022-23 was \$22,082.

Board and Committee remuneration

Remuneration of the Accountable Authority for Lotterywest for the 2022-23 year is outlined below:

	Name	Salary	Super Benefit	Period of Membership	Total
Chair	Prof. Peter Klinken	\$62,475	\$6,560	12 months	\$69,035
Member	Stephen Carre	\$31,237	\$3,280	12 months	\$34,517
Member	Prof. Kingsley Dixon	\$31,237	\$3,280	12 months	\$34,517
Member	Hon. Jim McGinty	\$31,237	\$3,280	12 months	\$34,517
Member	Brianna Peake	\$31,237	\$3,280	12 months	\$34,517
Member	Rubini Ventouras	\$31,237	\$3,280	12 months	\$34,517
	Total remuneration paid	\$218,660	\$22,960		\$241,620

Other legal requirements

Advertising, direct mail, market research and media expenditure (including GST) incurred by Lotterywest for the 2022-23 year was:

Advertising:

	\$
303 Mullenlowe	5,821,030
Total	5,821,030

Market research:

	\$
Painted Dog Research	154,000
Metrix Consulting	423,110
Ipsos Public Affairs	24,750
Total	601,860

Media advertising:

	\$
Initiative	12,021,408
Total	12,021,408

Recordkeeping

The approved Lotterywest Recordkeeping Plan complies with the State Records Commission Standard 2, Principle 6 through the following initiatives:

Evaluation of recordkeeping systems

In 2022-23 Lotterywest completed a review of our information management governance. A governance framework was developed to ensure continued compliance with the *State Records Act 2000* (the Act).

Lotterywest completed a review of our Recordkeeping Plan. A revised plan, which reflects current practices and a commitment to continuous improvement was submitted to the State Records Commission in May 2023.

Recordkeeping training and induction program

During this year, 90% of our employees completed Records Awareness Training, a compulsory online module covering the fundamentals of government recordkeeping and employee responsibilities in creating and managing Lotterywest records.

All new staff are provided with face-to-face comprehensive training in our Electronic Document Records Management System. Over the year, 54 sessions were delivered.

Evaluation of record keeping training program

Lotterywest continues to evaluate the effectiveness of training and induction programs to ensure they reflect compliant practices. Additional recordkeeping resources were created and are available to all staff.

Freedom of Information

The number and response times to Freedom of Information applications received during the year were:

	2022-23
FOI applications received	1
FOI applications finalised	1
FOI decisions reconsidered by the FOI Commissioner	0

All applications were processed within the legislated or agreed timeframes.

Public Interest Disclosures

In 2022-23, no Public Interest Disclosures, within the meaning of the *Public Interest Disclosure Act 2003*, were received.

Compliance with Public Sector Standards and Ethical Codes

Lotterywest, as a public sector agency, is required to comply with Public Sector Standards in Human Resource Management (HRM) and the Public Sector Code of Ethics.

Action taken by Lotterywest to ensure compliance includes:

- Information about HRM Standards and the Commissioner's Instructions is made available to all our employees.
- Comprehensive onboarding of new personnel and regular training for existing staff.
- Human resources practices, policies and processes are regularly reviewed to ensure compliance with HRM Standards and the Commissioner's Instructions.

There were zero (0) breaches of Standards identified in 2022-23.

The number of grievances, claims of misconduct or breaches of employment standards during the year are:

	2021-22	2022-23
Grievances received	1	4
Grievances substantiated	1	4
Grievances not substantiated	0	0
Grievances under investigation	0	0
Claims of minor misconduct	0	0
Claims of serious misconduct	0	0
Breaches of employment standards	0	0
Claims lodged with the Industrial Relations Commission	0	0

Work health, safety and injury management

Lotterywest is committed to the safety, health and wellness of our employees, contractors and visitors in line with the *Work Health and Safety Act 2020* and the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*.

Lotterywest reviewed its Work Health and Safety (WHS) governance system to ensure compliance with the transition to the new laws and to further our commitment to foster a culture of safety and wellbeing. Supported by an external consultant, the review included work to understand our obligations as a 'person conducting a business undertaking' (PCBU) across our internal and external stakeholders with shared responsibility, establish our mechanism to engage and consult with our retailer network on WHS matters and adapt our approach to continue to drive a safety first culture.

We committed to a more holistic approach to workplace safety through initiatives that support the mental and psychosocial wellbeing of our people. In 2022-23 we initiated a program to equip our leaders with the skills to support the mental wellbeing of our workforce through Mental Health First Aid training for all managers, continued to

promote Lotterywest's Employee Assistance Program and commenced a dedicated psychosocial and wellbeing action plan and advocacy group. These initiatives continue to support our existing wellness program that provides opportunities for staff to engage in health and wellbeing activities and awareness events.

Our WHS Committee continues to be the formal mechanism for consultation with employees on WHS and injury management matters and met quarterly across 2022-23.

We continue to deliver mandatory WHS training for all managers with an 84% completion rate achieved across the year.

Work health, safety and injury management performance

Measure	Actual Results			Target
	2020-21	2021-22	2022-23	
Number of fatalities	0	0	0	0
Lost time injury and disease incidence rate	0.42%	0	0	0 or 10% reduction
Lost time injury and severity rate	0	0	0	0 or 10% reduction
% injured workers return within 13 weeks	100%	N/A	N/A	≥80%
% injured workers return within 26 weeks	N/A	N/A	N/A	≥80%
% managers undertaking WHS training within 3 years	83%	83%	84%	≥80%

Unauthorised use of credit cards

Where appropriate, corporate credit cards are issued to Commissioners and staff for business purposes.

In 2022-23, 12 employees inadvertently used their corporate credit card for personal transactions on 13 occasions. The use did not invoke disciplinary action given the prompt notification and full payment of the amounts involved and because the nature of the expenditure was immaterial, inadvertent, and characterised as an honest mistake. Amounts incurred and direction of payment are outlined below.

	2021-22	2022-23
Aggregate amount of personal use expenditure	\$233	\$572
Aggregate amount settled within five working days	\$216	\$572
Aggregate amount settled after five working days	\$17	\$0
Aggregate amount outstanding at balance date	\$0	\$0

Audit and Risk Management Committee (ARMC)

The ARMC is a sub-committee of the Board with corporate governance, risk and financial oversight. The committee's scope extends to the oversight of audits, internal controls, assurance and risk management and financial, investment and insurance analysis.

In 2022-23, the ARMC met on five occasions. Membership of the ARMC comprises:

- Committee Chair – Stephen Carre (Commissioner)
- Committee Member – Professor Peter Klinken (Board Chair)
- Committee Member – Hon. Jim McGinty (Commissioner)
- Committee Member – Rubini Ventouras (Commissioner).

In 2022-23, internal audit services were provided by PwC.

Risk management

Lotterywest is committed to a comprehensive risk management approach aligned to AS/NZS ISO 31000:2018 and the Australian Standard 8001-2021 Fraud and Corruption Control.

The Lotterywest Risk Management Framework outlines the Board's risk appetite and provides guidance on risk management for all significant activities and functions. The framework reflects the following objectives:

- Encourages a risk aware culture reflecting responsible and informed risk-taking while ensuring appropriate measures to protect the organisation and maintain stakeholder confidence.
- Provides a structured and systemic approach to managing risk.
- Ensures that risk management is embedded in the business and is a dynamic process regularly reviewed and updated.
- Provides the Board with confidence that risks are being managed throughout the organisation.

Substantive equality

Lotterywest strives for substantive equality through our policies, programs and services to better meet the diversity of our employees, retailers, players, grant recipients and stakeholders. Our approach is aligned to the State Government's Policy Framework for Substantive Equality and to meet obligations under the *Equal Opportunity Act 1984*.

In 2022-23, we committed to greater diversity and inclusion through initiatives aligned to our Strategic Workforce Plan 2020-2023 and the public sector's Workforce Diversification and Inclusion Strategy for WA Public Sector Employment 2020-2025.

Our commitment to the diversity of thought, culture, background and experiences of our workforce was a key focus in 2022-23. Lotterywest established a dedicated resource to drive our diversity activities and impact, and initiated the development of a progressive Reconciliation Action Plan aligned to our Diversity, Equity and Inclusion Framework.

To support our commitment to the Public Sector Commission's Cultural Awareness learning resource, which continues to achieve a completion rate of over 80%, Lotterywest expanded its breadth and depth of diversity awareness learning through contemporary online courses

across gender equality, cultural diversity and Aboriginal people, and continues to leverage social awareness events and celebrations to launch new and engaging e-learning.

Workforce Diversity	2021-22	2022-23*	Sector Diversity Targets^
Women in SES	50%	50%	50%
Aboriginal People	1.4%	1.1%	3.7%
People with disabilities	2.8%	2.5%	5.0%
People from culturally diverse backgrounds	16.3%	12.6%	15.5%
Youth (15 to 24 years)	2.1%	1.1%	5.8%

*as at 31 December 2022

^Aspirational targets of the PSC Workforce Diversification and Inclusion Strategy 2020-2025

Major capital projects

Despite significant investment in strategic initiatives undertaken in 2022-23 the total capital expenditure during the year was limited to \$2.276 million. Major capital projects undertaken were:

	\$M
Workplace Accommodation Strategy	\$1.593
Data centre computer equipment	\$0.216
Audio-visual equipment	\$0.169
Computer monitor equipment	\$0.168
Community Impact Platform	\$0.096

Financial Statements

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113 Grants approved
to the WA community



Certification of Financial Statements for the year ended 30 June 2023

The accompanying financial statements of the Lotteries Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2023 and the financial position as at 30 June 2023.

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



Mr Jeremy Hubble
Chief Finance Officer
24 August 2023



Professor Peter Klinken AC
Chair
Accountable Authority
24 August 2023



Mr Stephen Carre OAM
Commissioner
Accountable Authority
24 August 2023

Financial Statements

For the year ended 30 June 2023

Lotterywest has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2023 which provides users with the information about Lotterywest's stewardship of resource entrusted to it. The financial information is presented in the following structure:

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Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Lotteries Commission

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Lotteries Commission (Commission) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Lotteries Commission for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Commission for the financial statements

The Commission is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Commission is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Lotteries Commission. The controls exercised by the Commission are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, 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 the State's financial reporting framework during the year ended 30 June 2023.

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The Commission's responsibilities

The Commission is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Lotteries Commission for the year ended 30 June 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, 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 2023.

The Commission's responsibilities for the key performance indicators

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 and for such internal controls as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commission is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Commission is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

The auditor's report relates to the financial statements and key performance indicators of the Lotteries Commission for the year ended 30 June 2023 included in the annual report on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

Sandra Labuschagne

Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
31 August 2023

Statement of Comprehensive Income

For the year ended 30 June 2023

	Note	2023 \$000	2022 \$000
INCOME			
Revenue			
Revenue from contracts	3.1	1,227,239	1,204,885
Interest income	3.2	15,044	3,397
Other revenue	3.3	26,258	7,733
Total revenue		1,268,541	1,216,015
Net gain/(loss) from other activities	3.4	2	3,409
Total income		1,268,543	1,219,424
EXPENSES			
Cost of lottery sales	3.1.1	819,694	805,709
Lotteries operations	4.1	69,420	66,897
Grants and community development operations	4.1	18,295	15,815
Distribution to grant beneficiaries	4.2	351,135	322,817
Total expenses		1,258,544	1,211,238
Profit/(loss) before income from State Government		9,999	8,186
INCOME FROM STATE GOVERNMENT			
Income from other public sector entities	3.5	2,952	2,890
Resources received	3.5	37	55
Grants from State Government	3.5	49,232	47,737
Total income from State Government		52,221	50,682
Profit for the period		62,220	58,868
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation	9.1	303	120
Total other comprehensive income		303	120
Total comprehensive profit for the period		62,523	58,988

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes. See also Note 2 "Schedule of Income and Expenses by Service".

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$000	2022 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	35,882	75,662
Inventories	5.2.1	2,473	2,410
Receivables	5.2.2	19,299	27,511
Other financial assets at amortised cost	6.2	395,670	292,850
Financial assets designated at fair value through profit and loss	6.3	27,649	-
Prepayments		2,765	2,147
Total Current Assets		483,738	400,580
Non-Current Assets			
Other financial assets at amortised cost	6.2	45,983	39,043
Financial assets designated at fair value through profit and loss	6.3	12,479	-
Property, plant and equipment	5.1.1	11,257	11,487
Right-of-use assets	5.1.2	280	845
Intangibles	5.1.3	850	1,141
Total Non-Current Assets		70,849	52,516
TOTAL ASSETS		554,587	453,096
LIABILITIES			
Current Liabilities			
Payables	7.1	212,911	192,922
Provisions	7.2	34,640	37,443
Contract liabilities	7.3	10,204	6,398
Lease liabilities	6.4	68	1,103
Total Current Liabilities		257,823	237,866
Non-Current Liabilities			
Payables	7.1	69,760	50,860
Provisions	7.2	2,403	2,408
Lease liabilities	6.4	219	103
Total Non-Current Liabilities		72,382	53,371
TOTAL LIABILITIES		330,205	291,237
NET ASSETS		224,382	161,859
EQUITY			
Asset revaluation reserve	9.1	2,069	1,766
Retained earnings	9.1	222,313	160,093
TOTAL EQUITY		224,382	161,859

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 2023

	Note	Asset Revaluation \$000	Retained Earnings \$000	Total Equity \$000
Balance at 1 July 2021		1,646	101,225	102,871
Profit for the period	9.1	-	58,868	58,868
Other comprehensive income	9.1	120	-	120
Total comprehensive profit for the period		120	58,868	58,988
Balance at 30 June 2022		1,766	160,093	161,859
Balance at 1 July 2022		1,766	160,093	161,859
Profit for the period	9.1	-	62,220	62,220
Other comprehensive income	9.1	303	-	303
Total comprehensive profit for the period		303	62,220	62,523
Balance at 30 June 2023		2,069	222,313	224,382

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 2023

	Note	2023 \$000	2022 \$000
Cash flows from operating activities			
Receipts			
Sale of lottery products		1,233,985	1,196,124
Interest received		9,238	2,690
GST receipts on sales		797	759
Payments			
Prizes and retailers' commissions		(746,502)	(734,727)
Employee benefits		(34,282)	(30,742)
Supplies and services		(34,710)	(52,973)
Accommodation		(1,961)	(790)
Finance cost		(14)	(304)
Retailer business support and short-term incentives		(1,374)	-
Direct grants		(109,177)	(98,679)
GST payments on purchases		(24,179)	(22,811)
GST payments to taxation authority		(25,510)	(25,670)
Net cash provided by operating activities	6.1.2	266,311	232,877
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(2,115)	(552)
Purchase of financial assets, at FVTPL		(40,000)	-
Net purchase of other investments at amortised cost		(109,760)	(60,527)
Net cash from investing activities		(151,875)	(61,079)
Cash flows from financing activities			
Payments			
Principal elements of lease payments		(1,091)	(1,567)
Net cash from financing activities		(1,091)	(1,567)
Cash flows (to)/from State Government			
Healthway SLA		2,683	2,876
GST reimbursements		60,152	34,758
Statutory payments to beneficiaries		(215,960)	(214,496)
Net cash to State Government		(153,125)	(176,862)
Net decrease in cash and cash equivalents		(39,780)	(6,631)
Cash and cash equivalents at beginning of period		75,662	82,293
Cash and cash equivalents at end of period	6.1.1	35,882	75,662

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 2023

1. BASIS OF PREPARATION

Lotterywest is a Statutory Authority and a not-for-profit reporting entity for the purposes of Australian Accounting Standards. The nature of operations and principal activities are described in the Agency Performance which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of Lotterywest on 24 August 2023.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (the Instructions or TI)
- 3) Australian Accounting Standards (AAS) including applicable interpretations
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and the Instructions take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

2. LOTTERYWEST OUTPUTS

How Lotterywest operates

This section includes information regarding the nature of Lotterywest's income and how this income is utilised to achieve its objectives.

Schedule of income and expenses by service

	Service 1 Sale of lottery products		Service 2 Grants and other distributions		Total	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
INCOME						
Revenue from contracts	1,227,239	1,204,885	-	-	1,227,239	1,204,885
Interest income	15,044	3,397	-	-	15,044	3,397
Other revenue	13,039	4,308	13,219	3,425	26,258	7,733
Net gain	2	3,409	-	-	2	3,409
Total income	1,255,324	1,215,999	13,219	3,425	1,268,543	1,219,424
EXPENSES						
Cost of sales	819,694	805,709	-	-	819,694	805,709
Lotteries operations	69,420	66,897	-	-	69,420	66,897
Grants and community development operations						
Lotterywest	-	-	15,343	12,925	15,343	12,925
Healthway SLA	-	-	2,952	2,890	2,952	2,890
Total expenses excluding returns to beneficiaries	889,114	872,606	18,295	15,815	907,409	888,421
Profit/(loss) before returns to beneficiaries	366,210	343,393	(5,076)	(12,390)	361,134	331,003
INCOME FROM STATE GOVERNMENT						
Income from other public sector entities	-	-	2,952	2,890	2,952	2,890
Resources received	37	55	-	-	37	55
Grants from State Government	49,232	47,737	-	-	49,232	47,737
Total income from State Government	49,269	47,792	2,952	2,890	52,221	50,682
Grants transfer	(415,479)	(391,185)	415,479	391,185	-	-
Amount available for distribution	-	-	413,355	381,685	413,355	381,685
Total returns to beneficiaries	-	-	351,135	322,817	351,135	322,817
Profit for the period	-	-	62,220	58,868	62,220	58,868

3. OUR INCOME SOURCES

How we obtain our income

This section provides additional information about how Lotterywest obtains its income and the relevant accounting policy notes that govern the recognition and measurement of this income. The primary income received, and the relevant notes are:

	Note	2023 \$000	2022 \$000
Income			
Revenue from contracts	3.1	1,227,239	1,204,885
Interest income	3.2	15,044	3,397
Other revenue	3.3	26,258	7,733
Net gain	3.4	2	3,409
Income from State Government	3.5	52,221	50,682
		1,320,764	1,270,106

3.1 Revenue from contracts

Revenue is recognised for the major revenue streams as follows:

	Note	2023 \$000	2022 \$000
Revenue from contracts with customers	3.1.1	1,222,970	1,200,651
Revenue from contracts with retailers	3.1.2	4,269	4,234
		1,227,239	1,204,885

3.1.1 Revenue from contracts with customers

	2023 \$000	2022 \$000
Sales of lottery products	1,222,970	1,200,651
Cost of lottery sales		
Prizes	(685,382)	(671,178)
Printing costs	(3,282)	(4,528)
Commission paid to retailers	(81,798)	(82,266)
Goods and Services Tax	(49,232)	(47,737)
	(819,694)	(805,709)
Trading Profit	403,276	394,942
Margin percentage	33.0%	32.9%

Revenue from contracts with customers is recognised as follows:

Revenue from contracts with customers consists of gross sales of all Lotto games, Cash 3, Super 66 and Scratch'n'Win tickets.

Revenue from Lotto products, which are sold through Lotterywest's authorised retailers and online, are recognised at a point-in-time when the related draw of the respective games has been held. Where players wager in advance, the income is deferred and recorded as contract liabilities, until the draw has taken place when it is then recorded as revenue in the Statement of Comprehensive Income.

Revenue from Scratch'n'Win tickets are recognised when the Scratch'n'Win books are activated.

Cost of lottery sales

Prizes

Prize expense and liabilities are allocated when the sales are recognised at draw dates or when the Scratch'n'Win books are activated.

Allocation of prize monies range between 48% to 71% of sales. The prize allocation for national Lotto games is determined by the National Bloc members.

Division 1 prizes are available for payment two weeks after the date of the draw, subject to claim. Other prizes are paid directly upon receipt of a valid winning ticket. Prizes for Play Online members are automatically paid to the members account.

Set for Life's 1st Prize is paid at \$20,000 per month for a period of 20 years and Division 2 winner is paid at \$5,000 per month for a period of 1 year. Set for Life games include a 'demand feature' requiring payment of the remaining face value of the prize upon the death of a winner to their estate. As a result, fair value reflects value at the earliest time the demand event could arise resulting in fair value reflecting the remaining face value of unpaid prizes.

Commission paid to retailers

Retailers are paid a commission for the sale of Lotterywest products. It is recognised when the Recipient Created Tax Invoice (RCTI) is issued to the retailers once a week. The commission rate is periodically reviewed subject to Ministerial approval.

Goods and Services Tax

The Goods and Services Tax (GST) is calculated on the gaming margin, which is defined as the subscription received less the prizes. In accordance with the GST legislation, GST is attributed to the full amount of sales in advance. GST is also calculated on retailer and player fees.

The GST paid on the gaming margin is disclosed as a cost of producing trading profit. 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.

3.1.2 Revenue from contract with retailers

	2023 \$000	2022 \$000
Retailers fees	4,269	4,234

Revenue from contracts with retailers is recognised as follows:

Retailer fees comprise Lotto Service fees (representing the contribution from our retailers towards the costs associated with maintaining and supporting the on-line network) and Retailer Establishment fees (representing contributions from retailers towards Lotterywest's costs associated with the establishment, relocation or change of ownership of a lottery outlet).

These fees are typically recognised over-time according to Lotterywest's right to invoice under the agreement with the retailer as it corresponds to the performance completed to date.

3.2 Investment income

	2023 \$000	2022 \$000
Interest income	14,910	3,397
Interest from financial assets at fair value through profit and loss	121	-
Other distribution received from managed fund	6	-
Total investment revenue	15,037	3,397
Other net changes in the fair value through profit and loss	7	-
Total other investment income	7	-
Total investment income	15,044	3,397

Interest income is recognised as it accrues using the effective interest method applicable to the financial assets. Distribution and dividend income is recognised in the profit or loss on the date that Lotterywest's right to receive payment is established. Fair value movements are recognised consistent with the measurement of Fair Value through Profit and Loss investments (refer also to Note 6.3).

3.3 Other revenue

	2023 \$000	2022 \$000
Forfeited prizes	13,028	4,153
Grants refunds and write-backs prior years	13,219	3,425
Other revenue	11	155
	26,258	7,733

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. However, any prizes allocated to Play Online member accounts are deemed to have been claimed and therefore not considered as forfeited prizes.

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.

3.4 Net gain/(loss) from other activities

	2023 \$000	2022 \$000
Other gains	2	3,409
Total gain	2	3,409

3.5 Income from State Government

	2023 \$000	2022 \$000
Income from other public sector entities during the period		
Service level arrangement - Healthway	2,952	2,890
Total income received	2,952	2,890
Professional services provided by the Department of Finance	13	-
Legal Services provided by the State Solicitor's Office	24	55
Total resources received	37	55
Grants from State Government		
GST reimbursement for gaming margin	49,232	47,737
Total grants from State Government	49,232	47,737
Total income from State Government	52,221	50,682

Income from other public sector entities

In 2019, Lotterywest entered into a Service Level Arrangement with the Western Australian Health Promotion Foundation (Healthway) to provide grant administration services and support. By agreement, the Service Level Arrangement was extended until June 2024. Under this arrangement, Lotterywest typically satisfies its performance obligation and recognises revenue over-time in proportion to services performed.

Resources received from other public sector

Assets and resources received free of charge or for nominal cost that Lotterywest would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received.

Grants from State Government

Revenue from grants, donations, gifts or other non-reciprocal contributions that are not contributions by owners are recognised at fair value. Revenue is recognised when Lotterywest has obtained control of the contribution (that is usually the date cash is received), it is probable that economic benefits will flow to the entity and the amount of the contribution can be reliably measured. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

The State Government reimburses gaming operators (including Lotterywest) for GST paid on the operators' margin in accordance with agreement between the States when the GST was originally introduced. GST paid on the gaming margin is disclosed as a cost of sales (see Note 3.1.1). Treasurer's Instruction 1102 requires that reimbursement of GST is disclosed as a Grant from the State Government.

4. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how Lotterywest's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

	Note	2023 \$000	2022 \$000
Operating expenses	4.1	87,715	82,712
Distribution to grant beneficiaries	4.2	351,135	322,817
		438,850	405,529

4.1 Operating expenses

	Note	2023 \$000	2022 \$000
Employee benefits expenses	4.1.1	34,726	31,235
Accommodation expenses ^(a)		1,740	790
Depreciation and amortisation expenses	4.1.2	3,840	5,841
Finance costs	5.1.2	14	304
Retailer business support and short-term incentives		2,238	-
Technology and gaming system expenses		11,999	12,507
Sales, marketing and distribution expenses ^(b)		16,257	18,705
Other expenses ^(c)		16,901	13,330
		87,715	82,712

(a) Accommodation expenses includes office rental, parking, monthly outgoings, repairs and maintenance, cleaning, and security (also refer to Note 5.1.2).

(b) Sales, marketing and distribution expenses mainly relate to advertising and production costs across various channels.

(c) Total other expenses for 2023 includes professional fees \$6.79M [2022: \$4.14M], employment on-cost \$1.93M [2022: \$1.75M], and various internal and external audit fees \$1.44M [2022: \$0.85M].

Better Business program

The retailer business support and short-term incentives are part of a comprehensive five-year \$39 million program, Better Business program, aimed at long-term retailer sustainability, while ensuring Lotterywest capability to continue contributing to the Western Australian community through its grant program. The Better Business program was launched in March 2023.

The total cost of the Better Business program during the current financial year was \$2.66 million [2022: \$nil].

Service type allocation

Total operating expenses are associated to service types. All costs associated with delivering the Healthway SLA are allocated to the Grants and community development service type.

	2023 \$000	2022 \$000
1. Lottery operations	69,420	66,897
2. Grants and community development		
- Lotterywest	15,343	12,925
- Healthway SLA	2,952	2,890
	87,715	82,712

4.1.1 Employee benefits expenses

	2023 \$000	2022 \$000
Wages, salaries and other employee benefits	31,362	28,097
Termination benefits	129	300
Superannuation	3,235	2,838
	34,726	31,235

Wages, salaries and other employee benefits include accrued wages and leave entitlements.

Termination benefits are payable when employment is terminated before normal retirement date or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when Lotterywest is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation is recognised as and when the contributions fall due. It comprises contributions paid to the Gold State Superannuation Scheme (GSS) concurrent contributions, the West State Superannuation Scheme (WSS), the Government Employees Superannuation Board Schemes (GESBs), or other superannuation funds.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for Lotterywest's purposes because the concurrent contributions (defined contributions) paid to GESB extinguishes Lotterywest's obligations to the related superannuation liability.

Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by Lotterywest to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

4.1.2 Depreciation and amortisation expenses

	Note	2023 \$000	2022 \$000
Depreciation			
Buildings	5.1.1	37	35
Leasehold improvements	5.1.1	509	500
Equipment and fittings	5.1.1	376	371
Computer equipment	5.1.1	1,202	1,532
Right-of-use assets	5.1.2	739	1,298
Total depreciation		2,863	3,736
Amortisation			
Intangible assets	5.1.3	977	2,105
Total amortisation		977	2,105
Total depreciation and amortisation		3,840	5,841

All non-current assets, excluding land, are depreciated or amortised over their estimated useful life, consistent with the consumption of their future economic benefits.

Depreciation is calculated using the straight line basis rates which are reviewed annually. Estimated useful lives for each class of non-current assets are as follows:

Class	Useful Life
Buildings	50 years
Leasehold improvements	3 to 12 years
Equipment and fittings	3 to 10 years
Computer equipment	3 to 8 years
Intangible assets	3 to 10 years

Right-of use assets are depreciated over the shorter of the assets estimated useful life and the terms of the lease.

4.2 Distribution to grant beneficiaries

	2023 \$000	2022 \$000
Statutory grants		
State Pool Account (under <i>National Health Funding Pool Act 2012</i>)	176,761	174,048
Arts Lotteries Account	22,095	21,756
Sports Lotteries Account	22,095	21,756
	220,951	217,560
Direct grants		
University of Western Australia (Festival of Perth)	7,700	7,700
Screenwest (Commercial film production)	7,700	7,700
Direct grants (Net of grants not taken up)^	114,784	89,857
	130,184	105,257
Total distribution to grant beneficiaries	351,135	322,817

^ The total of grants not taken up and reversed during the current financial year was \$0.38 million [2022: \$0.16m].

The Act prescribes for the following allocations from net subscriptions of all products. Net subscriptions comprise the following:

- In the case of a fixed prize game, the entry fee less any add-on commission and prize liability; and
- In the case of a pari-mutuel prize game, the entry fee less any add-on commission and the prize fund.

Statutory grants

From net subscriptions, these grants are made to the credit of the Consolidated Account for subsequent appropriation to Agency Special Purpose Accounts.

- 40% to the State Pool Account of the State established under *National Health Funding Pool Act 2012*
- 5% to the Arts Lotteries Account
- 5% to the Sports Lotteries Account.

Direct grants

In addition to the statutory grants, the Act mandates:

- a minimum allocation of 12.5% of net subscriptions to eligible organisations for approved purposes; and
- up to 5% of net subscriptions in total for the University of Western Australia for the Festival of Perth and ScreenWest for Commercial Film Production.

Any remaining surplus (including surplus reserves generated from prior periods and unclaimed prizes as they fall due in the reporting period) is available for distribution to eligible organisations as the Commission thinks fit and the Minister approves.

Direct grants to eligible organisations for approved purposes are recognised in full when approved by the Minister. Unconditional grants are paid in full upon the Minister's approval. Conditional grants are paid as and when conditions are fulfilled.

5. ASSETS

This section sets out both the key accounting policies and financial information about the performance of these assets:

5.1 Key assets

	Note	2023 \$000	2022 \$000
Property, plant and equipment	5.1.1	11,257	11,487
Right-of-use assets	5.1.2	280	845
Intangibles	5.1.3	850	1,141
		12,387	13,473

5.1.1 Property, plant and equipment

Year ended 30 June 2022	Land \$000	Buildings \$000	Leasehold improvements \$000	Equipment & fittings \$000	Works of arts \$000	Computer equipment \$000	Work in progress \$000	Total \$000
1 July 2021								
Gross carrying amount	1,940	1,365	5,697	10,094	63	18,218	782	38,159
Accumulated depreciation	-	-	(2,153)	(9,157)	-	(12,850)	-	(24,160)
Carrying amount at start of period	1,940	1,365	3,544	937	63	5,368	782	13,999
Additions	-	-	-	-	-	-	366	366
Revaluation	58	62	-	-	-	-	-	120
Derecognition	-	-	-	-	-	-	(560)	(560)
Depreciation	-	(35)	(500)	(371)	-	(1,532)	-	(2,438)
Carrying amount at 30 June 2022	1,998	1,392	3,044	566	63	3,836	588	11,487
Year ended 30 June 2023								
1 July 2022								
Gross carrying amount	1,998	1,392	5,697	10,094	63	18,218	588	38,050
Accumulated depreciation	-	-	(2,653)	(9,528)	-	(14,382)	-	(26,563)
Accumulated impairment loss	-	-	-	-	-	-	-	-
Carrying amount at start of year	1,998	1,392	3,044	566	63	3,836	588	11,487
Additions	-	-	1,216	578	-	215	172	2,181
Transfer to non-current assets	-	-	-	-	-	-	(590)	(590)
Revaluation	(52)	355	-	-	-	-	-	303
Depreciation	-	(37)	(509)	(376)	-	(1,202)	-	(2,124)
Carrying amount at 30 June 2023	1,946	1,710	3,751	768	63	2,849	170	11,257

Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are capitalised or recognised as assets and expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed in full in the current year (other than where they form part of a group of similar items which are significant in total).

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

For assets acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition. This also applies to grant properties which may have reverted back to Lotterywest. Where a transfer of beneficial ownership in land and/or buildings from a Trust Estate has occurred, at no cost or for nominal cost, the fair value is recognised at the date of the reversion.

Subsequent measurement

After initial recognition as an asset, Lotterywest uses the revaluation method for the measurement of land and buildings and the cost method for all other assets. Land is carried at fair value. Buildings are carried at their fair value less accumulated depreciation on buildings and accumulated impairment losses. All other assets 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 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.

Valuations of land and buildings are provided annually by the independent valuers or Western Australian Land Information Authority (Landgate) 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.

Land and buildings were revalued as at 1 July 2022 by Landgate. The valuations were performed during the year ended 30 June 2023 and recognised at 30 June 2023. Land and building revaluation increments for 2023 were \$303,000 (2022: \$120,000).

Derecognition

Upon disposal or derecognition of an item of assets, any revaluation surplus relating to that asset is retained in the asset revaluation reserve.

Impairment

Property, plant, 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. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As of 30 June 2023 there were no indications of impairment to property, plant and equipment.

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.

Fair value measurements

Assets measured at fair value	Level 1	Level 2	Level 3	Fair Value at end of Period
2023	\$000	\$000	\$000	\$000
Land	-	1,946	-	1,946
Buildings	-	1,710	-	1,710
	-	3,656	-	3,656

During the year there were no transfers between Levels 1, 2 or 3.

Assets measured at fair value	Level 1	Level 2	Level 3	Fair Value at end of Period
2022	\$000	\$000	\$000	\$000
Land	-	1,998	-	1,998
Buildings	-	1,392	-	1,392
	-	3,390	-	3,390

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre.

5.1.2 Right-of-use assets

Year ended 30 June 2022	Buildings \$000	Vehicles \$000	Total \$000
1 July 2021			
Gross carrying amount	10,392	253	10,645
Accumulated depreciation	(2,372)	(116)	(2,488)
Carrying amount at start of period	8,020	137	8,157
Additions	-	56	56
Transfers [^]	(6,066)	-	(6,066)
Disposals	-	(4)	(4)
Depreciation	(1,239)	(59)	(1,298)
Carrying amount at 30 June 2022	715	130	845
Gross carrying amount	4,326	258	4,584
Accumulated depreciation	(3,611)	(128)	(3,739)
Accumulated impairment loss	-	-	-
Year ended 30 June 2023	Buildings \$000	Vehicles \$000	Total \$000
1 July 2022			
Gross carrying amount	4,326	258	4,584
Accumulated depreciation	(3,611)	(128)	(3,739)
Carrying amount at start of period	715	130	845
Additions	-	217	217
Transfers	(43)	-	(43)
Disposals	-	-	-
Depreciation	(672)	(67)	(739)
Carrying amount at 30 June 2023	-	280	280
Gross carrying amount	4,062	403	4,465
Accumulated depreciation	(4,062)	(123)	(4,185)
Accumulated impairment loss	-	-	-

[^] As part of the Government Office Accommodation Policy, Lotterywest has signed a Deed of assignment on 30th June 2022 to transfer all of its rights and interest in its head office's leases to the Minister for Works (care of Department of Finance). The assignment date is 1 February 2023. A Memorandum of Understanding (MOU) was subsequently entered with the Department of Finance for leasing the office accommodation from that date. This inter-agency MOU arrangement is out of scope of AASB 16

Right-of-use assets

Initial recognition

At the commencement date of the lease, Lotterywest recognises a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of the initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives received, any initial direct costs incurred, and estimated cost of dismantling and removing the underlying asset.

Lotterywest has elected not to recognise right-of-use asset and lease liabilities arising from short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated over the shorter of the assets estimated useful life and the terms of the lease. Where Lotterywest obtains ownership of the underlying lease asset at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 5.1.1

Amounts recognised in the Statement of Comprehensive Income

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2023 \$000	2022 \$000
Depreciation expense of right-of-use assets	739	1,298
Lease interest expense	14	304
Short-term lease	74	-
	827	1,602

The total cash outflow for leases in 2023 was \$1.34 million (2022: \$2.76 million).

Lotterywest's leasing activities:

Lotterywest has leases for vehicles, office and warehouse. Lotterywest has also entered into Memorandum of Understanding Agreements with the Department of Finance for the leasing of office accommodation on 1 February 2023 (refer Note 5.1.2). These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

Lotterywest recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position. The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.4.

5.1.3 Intangibles

	2023 \$000	2022 \$000
Computer software		
Opening balance		
Gross carrying amount	49,197	49,011
Accumulated amortisation	(48,056)	(45,951)
Carrying amount at start of period	1,141	3,060
Additions	96	186
Transfer from Work in Progress	590	-
Amortisation expense	(977)	(2,105)
Carrying amount at end of period	850	1,141

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more are capitalised and expensed (amortised) over their useful lives. Costs incurred below \$5,000 are fully expensed in the current year.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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

Amortisation for intangible assets with a finite useful life is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by Lotterywest have a finite useful life and zero residual value (i.e. computer software is 3 to 10 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 fully expensed in the year of acquisition.

Development costs

Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed \$5,000.

Impairment

As at 30 June 2023 there were no indications of impairment to intangible assets. Lotterywest held no goodwill or intangible assets with an indefinite useful life during the reporting period.

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

5.2 Other assets

	Note	2023 \$000	2022 \$000
Inventories	5.2.1	2,473	2,410
Receivables	5.2.2	19,299	27,511
Prepayments		2,765	2,147
		24,537	32,068

5.2.1 Inventories

	2023 \$000	2022 \$000
Inventories	2,473	2,410

Inventories are valued, on the first-in, first-out basis, at the lower of cost and net realisable value. Inventories comprise of instant lotto tickets and other consumables.

5.2.2 Receivables

	2023 \$000	2022 \$000
Current		
Trade receivables	4,776	7,705
GST receivables	6,757	18,017
Accrued interest	7,172	1,494
Other debtors	594	295
	19,299	27,511

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as the receivables from retailers are settled on a weekly basis and all other receivables are settled within 30 days. Lotterywest generally holds bank guarantees as security for retailer debtors and monitors the collection of monies from the retailers on a weekly basis. Based on historical default rates, the expected credit losses on trade receivables are deemed to be immaterial. All other receivables are not considered to be impaired.

6. FINANCING

This section sets out the material balances, disclosures and risk management policies associated with the financing and cash flows of Lotterywest.

	Note	2023 \$000	2022 \$000
Cash and cash equivalents	6.1	35,882	75,662
Financial assets at amortised cost	6.2	441,653	331,893
Financial assets designated at Fair Value through profit and loss	6.3	40,128	-
Lease liabilities	6.4	287	1,206
Assets pledged as security	6.5	280	845
Capital commitments	6.6	363	-

6.1 Cash and cash equivalents

6.1.1 Reconciliation of cash

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand and cash at bank.

	Note	2023 \$000	2022 \$000
Cash on hand		1	1
Cash at bank		35,881	75,661
Total cash and cash equivalents at end of period		35,882	75,662

6.1.2 Reconciliation of profit to net cash flows provided by operating activities

	2023 \$000	2022 \$000
Profit for the period	62,220	58,868
Non-cash items		
Depreciation and amortisation expense	3,840	5,841
Net (gain)/loss on disposal	(2)	(3,332)
Derecognition	-	560
Other adjustments		
Investment incomes on Financial assets at fair value to profit and loss	(134)	-
Cash flows to/(from) Government		
Statutory grants	220,951	217,560
Income from other public sector entities	(2,952)	(2,890)
GST recoup revenue from State Government	(49,232)	(47,737)
(Increase)/decrease in assets		
GST reimbursement (receivable)/payable	11,260	(12,964)
Trade debtors	2,929	(4,463)
Other debtors	(30)	28
Prepayments	(618)	(852)
Inventories	(63)	(566)
Accrued interest	(5,672)	(707)
Increase/(decrease) in liabilities		
Contract liabilities	3,806	(4,530)
Direct grants	7,788	3,153
Unclaimed prize payable	8,563	13,678
Unpaid prize payable	1,134	548
Trade creditors	2,582	(2,101)
Other creditors and accruals	13,831	1,431
Other provisions	505	336
Prize reserve provisions	(3,475)	(1,963)
Grants from State Government	(10,920)	12,979
Net cash provided by operating activities	266,311	232,877

6.2 Financial assets at amortised cost

Lotterywest's General and Future Granting Portfolio's financial investments are managed by the Western Australia Treasury Corporation (WATC) in accordance with the *Financial Management Act 2006* and the *Trustees Act 1962* (as amended). The investment management strategy for these investment portfolios are passive, one of 'buy and hold', with assets bought and held to maturity. These financial assets are initially measured at fair value, net of transaction cost incurred, and subsequently measured at amortised cost.

	2023 \$000	2022 \$000
Current investments (maturity less than 1 year)		
Short term products	395,670	292,850
Non-current investments (maturity more than 1 year)		
Floating rate instruments	45,983	39,043
Total financial assets at amortised cost[^]	441,653	331,893

[^] Market value at 30 June 2023 was \$445.44 million [2022: \$327.93m].

6.3 Financial assets designated at Fair Value through Profit and Loss

Lotterywest accounts the whole of its Set for Life (SFL) Portfolio at Fair value through profit and loss (FVTPL) under AASB 9 as the SFL Portfolio is managed and performance is evaluated on a fair value basis. Lotterywest is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the SFL Portfolio's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the SFL Portfolio's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

	2023 \$000	2022 \$000
Current assets:		
Managed investment fund comprises the following:		
Cash held by the investment advisor [^]	21,432	-
Equity instruments – domestic	1,522	-
Equity instruments – international	924	-
Government bonds	2,012	-
Corporate bonds	1,009	-
Other	750	-
Non-current assets:		
Managed investment fund comprises the following:		
Government bonds	1,967	-
Corporate bonds	10,512	-
Total financial assets designated at fair value through profit and loss	40,128	-

[^] Cash held by the investment advisor is not readily assessable by management. It forms part of the overall SFL Portfolio and is utilised by the investment advisor to buy and sell Allowable Investments.

Purchases and sales of investments are recognised on trade date, the date on which Lotterywest commits to purchase or sell the asset. Financial assets at FVTPL are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Comprehensive Income. Net gains and losses, including any interest, distribution income or dividend income, arising from changes in fair value are recognised directly to profit and loss for the period (refer to Note 3.2). No impairment is required.

Significant accounting judgements in determining business model of the SFL Portfolio

The evaluation of the performance of the SFL Portfolio is performed at the portfolio level and on a fair value basis, as is the reporting to the key management personnel. In this case, all equity and debt investments form part of the same portfolio and reported to key management personnel in its entirety. As all of the SFL Portfolio's investments are either held for trading and/or managed and evaluated on a fair value basis, management has concluded that the business model requires the SFL portfolio to be classified at fair value through profit or loss under AASB 9.

Fair value hierarchy

The fair value hierarchy for the assets within the SFL Portfolio has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that Lotterywest can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset. The determination of what constitutes 'observable' requires significant judgement by Lotterywest. Lotterywest considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, supported by market transactions, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy SFL Portfolio's assets (by class) measured at fair value at 30 June:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
2023*				
Cash held by the investment advisor	-	21,432	-	21,432
Equity instruments - domestic	1,522	-	-	1,522
Equity instruments – international	924	-	-	924
Government Bonds	3,979	-	-	3,979
Corporate Bonds	-	11,521	-	11,521
Other	-	750	-	750
Total	6,425	33,703	-	40,128

*2021-2022 Prior year comparatives are not shown as the Financial Assets at fair value through profit and loss commenced in May 2023.

Valuation Techniques

Level 1: Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and government treasury bills. Lotterywest does not adjust the quoted price for these instruments.

Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

These include investment-grade corporate bonds. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3: Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, Lotterywest has used valuation techniques to derive the fair value.

Level 3 valuations are reviewed by the investment advisor on a quarterly basis and reported to the ARMC on a quarterly basis. Investment advisor considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry.

6.4 Lease liabilities

Information about leases for which Lotterywest is a lessee is presented below.

	2023 \$000	2022 \$000
Lease Liabilities		
Current	68	1,103
Non- Current	219	103
Total lease liabilities	287	1,206

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the the contractual payments due to the lessor over the lease term net of cash lease incentive at the commencement date. Lease payments are discounted using the interest rate implicit in the lease if that rate is readily determinable or the incremental borrowing rate provided by Western Australia Treasury Corporation.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining

balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term when the lease is reasonably certain to be extended (or not terminated).

Lease Liability – subsequent measurement

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability
- reducing the carrying amount to reflect the lease payments made
- remeasuring the carrying amount to reflect any reassessment or lease modifications
- reflect revised in-substance fixed lease payments.

This section should be read in conjunction with 5.1.2

6.5 Assets pledged as security

	2023 \$000	2022 \$000
Assets pledged as security		
The carrying amounts of non-current assets pledged as security are:		
Right-of-use assets - buildings	-	715
Right-of-use assets - vehicles	280	130
	280	845

Lotterywest has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

6.6 Capital commitments

The commitments disclosed below are recorded at their nominal value inclusive of GST where relevant.

	2023 \$000	2022 \$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	363	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	363	-

7. LIABILITIES

This section sets out those liabilities that arose from Lotterywest's controlled operations and incurred during normal operations:

	Note	2023 \$000	2022 \$000
Payables	7.1	282,671	243,782
Provisions	7.2	37,043	39,851
Contract liabilities	7.3	10,204	6,398
		329,918	290,031

7.1 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 for which settlement has not yet occurred. Payables, other than those that relate to prizes and returns to beneficiaries, are generally settled within 20 days and the carrying amount considered equivalent to fair value.

	2023 \$000	2022 \$000
CURRENT		
Prizes		
Unclaimed prizes in current year ^(a)	28,055	38,392
Unpaid prize payables ^(b)	5,697	4,563
	33,752	42,955
Returns to beneficiaries		
State Pool Account (under <i>National Health Funding Pool Act 2012</i>)	9,461	5,548
Arts Lotteries Account	1,295	756
Sports Lotteries Account	1,295	756
Direct grants ^(c)	134,194	126,406
	146,245	133,466
Other		
Trade creditors	3,657	1,075
Play online players balance ^(d)	10,659	9,231
Other creditors and accruals	18,598	6,195
	32,914	16,501
	212,911	192,922
NON-CURRENT		
Prizes		
Unpaid prize payables ^(b)	69,760	50,860
Total payables	282,671	243,782

(a) Prizes won but not yet claimed.

(b) Predominately the Set for Life game where the prize is paid in the form of an annuity and one discontinued Scratch'n'Win game. Amounts payable more than 12 months are classified as non-current.

(c) Direct grants approved but not yet paid.

(d) Play online players balance represents Lotterywest play online members deposits and winnings.

7.2 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 and adjusted to reflect the current best estimate.

	Note	2023 \$000	2022 \$000
CURRENT			
Employee benefits	7.2.1		
Annual leave ^(a)		3,067	2,897
Long service leave ^(b)		2,869	2,408
Other provisions	7.2.2		
Employment on-costs ^(d)		382	341
Prize reserve provisions ^(e)		28,322	31,797
		34,640	37,443
NON-CURRENT			
Employee benefits	7.2.1		
Long service leave ^(b)		1,297	1,454
Superannuation entitlements ^(c)		218	218
Other provisions	7.2.2		
Employment on-costs ^(d)		83	93
Make-good provision ^(f)		805	643
		2,403	2,408
Total provisions		37,043	39,851

7.2.1 Employee related provisions

(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 end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2023 \$000	2022 \$000
Annual leave		
Within 12 months	1,937	1,851
More than 12 months	1,130	1,046
	3,067	2,897

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

- (b) Unconditional long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because Lotterywest has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2023 \$000	2022 \$000
Long service leave		
Within 12 months	928	807
More than 12 months	3,238	3,055
	4,166	3,862

Key estimates and judgements – Long service leave

The long service leave liabilities are calculated at present value as Lotterywest does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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.

- (c) The liability for superannuation entitlements has been provided by GESB.

Pension scheme

Lotterywest has no liability or defined benefit cost under AASB 119 arising from Pension Scheme.

Gold State Super (transferred benefits)

Nature of the benefits provided by the Scheme

Some former Pension Scheme members transferred to Gold State Super receiving a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

Description of the regulatory framework

The Scheme operates under the *State Superannuation Act 2000* (Western Australia) and the *State Superannuation Regulations 2001* (Western Australia). Although the scheme is not formally subject to the Superannuation Industry Supervision (SIS) legislation, the Western Australian government has agreed to operate the scheme in accordance with the spirit of the SIS legislation.

Pre-transfer Benefit Gold State Superannuation Scheme

	2023 \$000	2022 \$000
Defined Benefit Obligations (DBO)	218	218
Net defined benefit liability	218	218
Reconciliation of DBO		
Present value of DBO at beginning of the year	218	218
Interest cost ⁽ⁱ⁾	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions ⁽ⁱ⁾	-	-
Actuarial (gains)/losses arising from changes in financial assumptions ⁽ⁱ⁾	-	-
Actuarial (gains)/losses arising from liability experience ⁽ⁱ⁾	-	-
Benefits paid	-	-
Present value of DBO at End of the Year	218	218

(i) Due to the immaterial effect of actuarial (gains)/losses, the net movements have been recognised in the Statement of Comprehensive Income – Expenses Lottery Operations.

Significant actuarial assumptions at the reporting date

Assumptions to determine start of DBO and defined benefit cost for the current year	2023 %	2022 %
Discount rate (active members) ⁽ⁱⁱ⁾	3.35	1.50
Expected salary increase rate	3.50	3.00
Assumptions to determine DBO at the valuation date	2023 %	2022 %
Discount rate (active members) ⁽ⁱⁱ⁾	3.55	3.35
Expected salary increase rate	3.50	3.50

(ii) The discount rate as at 31 May 2023, based on the Government bond maturing in December 2030.

Funding arrangements

The employer contributes, as required, to meet the benefits paid.

Expected contributions

Employer contributions of \$218,000 are expected to be paid to the Gold State Superannuation Scheme in the subsequent annual reporting period.

Maturity profile of DBO

The weighted average duration of Lotterywest's defined benefit obligation is less than 12 months. The obligation is currently payable, and no liability will remain once the obligation is paid.

7.2.2 Other provisions

Employment on-cost

(d) The settlement of annual leave and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other Expenses' and are not included as part of 'Employee Benefits Expense'. The related liability is included in 'Employment On-Costs Provisions'.

	2023 \$000	2022 \$000
Employment on-cost provision		
Carrying amount at start of year	434	414
Additional provisions recognised	214	193
Payment/other sacrifices of economic benefit	(183)	(173)
Carrying amount at end of year	465	434

Prize reserve provisions

(e) The prize reserve provisions are used to guarantee jackpots and bonus draws in the jackpotting lottery games and the advertised prizes on the non-jackpotting games. The levels of prize reserves are administered by the Australian Lotto Bloc following pre-determined guidelines and funded by way of an allocation from each draw into the respective Prize Reserve provision. The settlement of the prize reserve provision is expected within the next 12 months.

	2023 \$000	2022 \$000
Prize reserve provisions		
Carrying amount at start of year	31,797	33,760
Additional provisions recognised	67,386	66,044
Payments made to the prize reserve accounts and prizes paid	(70,861)	(68,007)
Carrying amount at end of year	28,322	31,797

Make-good provision

(f) A provision for make good is recognised if, as a result of a past event, Lotterywest has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. These costs are included in the value of leasehold improvements with a corresponding provision for 'make good' recognised.

Make good provisions are measured at the best estimate of the expenditure required to settle the present obligation at reporting date.

	2023 \$000	2022 \$000
Make-good provision		
Carrying amount at start of year	643	643
Additional/ (reversals of) provisions recognised	162	-
Payments	-	-
Unwinding of the discount	-	-
Carrying amount at end of year	805	643

7.3 Contract liabilities

Contract liabilities are sales proceeds received or receivable from tickets for which the draw has not being held and not recognised as revenue. Lotterywest expects to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

	2023 \$000	2022 \$000
Contract liabilities		
Current	10,204	6,398
Non-Current	-	-
Total Contract liabilities	10,204	6,398

	2023 \$000	2022 \$000
Movement in contract liabilities		
Opening balance	6,398	10,928
Additions	10,204	6,398
Revenue recognised in the reporting period	(6,398)	(10,928)
Balance at the end of the period	10,204	6,398

8. RISKS AND CONTINGENCIES

This note sets out the key Lotterywest risk management policies and measurement techniques.

	Notes
Financial risk management	8.1
Contingent assets and liabilities	8.2

8.1 Financial risk management

Financial risk factors, objectives, and policies

Financial instruments held by Lotterywest are cash and cash equivalents, term deposits, floating rate notes, floating rate deposits, receivables, fair value through profit and loss financial assets and payables.

Lotterywest holds cash operating amounts and three investment portfolios:

- (i) General Portfolio of relatively short duration,
- (ii) Future Granting Portfolio for short and medium-term duration, and
- (iii) Set for Life (SFL) Portfolio of longer duration to meet future annuity liabilities.

General and Future Granting Portfolios

Lotterywest's General and Future Granting Portfolios are managed by the Western Australia Treasury Corporation (WATC) within the constraints of the Trustee's Act; Lotterywest's Investment Policy and approved Service Level Agreement which includes investment parameters to manage risk.

Set for Life Portfolio

Investment management of the Set for Life Portfolio (SFL) is undertaken by an investment advisor under an Investment Management Agreement, to provide specialist investment services, investment risk management, and to undertake investments in accordance with Lotterywest's Investment Policy in consideration of transaction and timing decisions.

Lotterywest is also exposed to custody risk in relation to the SFL Portfolio. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities in the SFL Portfolio held by the custodian, in the event of its failure, the ability of Lotterywest to transfer securities might be temporarily impaired.

All securities investments within the SFL Portfolio present a risk of loss of capital. The maximum loss of capital on purchased equity and debt securities is limited to the fair value of those positions. The management of these risks is carried out by the investment advisor under policies approved by the Board. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity. The investment advisor manages these exposures on an Asset Class level. Lotterywest has specific limits on the Asset Classes to manage the overall potential exposure.

Overall risk management

Lotterywest's overall risk management programme seeks to maximise the returns derived for the level of risk to which Lotterywest is exposed and seeks to minimise potential adverse effects on Lotterywest's financial performance. Lotterywest uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Summary of risks and risk management

Market risk

Market risk is the risk that changes in the market prices will affect Lotterywest's result or the value of its financial assets and liabilities. The key market risks Lotterywest is exposed are interest rate risk, currency risk and price risk.

(i) Price risk

Lotterywest is exposed to equity securities price risk. This arises from investments held by Lotterywest within the SFL Portfolio for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the AUD, the price initially expressed in foreign currency and then converted into AUD will also fluctuate because of changes in foreign exchange rates. The foreign exchange risk below sets out how this component of price risk is managed and measured. Lotterywest's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Audit and Risk Management Committee ('ARMC'). Between 5% and 45% of the assets within the SFL Portfolio is expected to be invested in equity securities, upon full allocation of the SFL Portfolio. A summary analysis of investments by nature and geography is presented further below.

Lotterywest's equity investments are publicly traded. Lotterywest's policy requires that the overall market position is monitored on a daily basis by the investment advisor and is reviewed on a quarterly basis by the ARMC. Compliance with Lotterywest's investment policies are reported to the ARMC on quarterly basis.

At 30 June 2023, the fair value of equities exposed to price risk were as follows:

	Fair Value	
	2023 \$000	2022 \$000
Equity instruments - Domestic	1,522	-
Equity instruments - International	924	-
Total	2,446	-

The majority of the equity investments are of a high quality, are publicly traded on equity exchanges and are mainly included in the S&P/ASX 200 Index.

Lotterywest had no concentrations in individual equity positions exceeding 1.26% (2022: 0%) of the assets within the SFL Portfolio.

The table below summarises the sensitivity of Lotterywest's net assets to equity price movements as at 30 June. The analysis is based on the assumptions that, with all other variables held constant, the fair value of the equity securities within the SFL Portfolio moved by 5%. This represents management's best estimate of a reasonable possible shift in the fair value of the equity securities, having regard to the historical volatility of such securities.

	2023 \$000	2022 \$000
Effect on net assets of Lotterywest (±)	122	-

The sensitivity analysis presented is based upon the SFL portfolio composition at 30 June. The composition of the SFL investment portfolio is expected to change over time.

(ii) *Foreign exchange risk*

Lotterywest is not exposed to foreign currency risk as it does not trade in foreign currency and only holds certain equity securities denominated in currencies other than the AUD, the functional currency. Further, foreign currency exposure relating to non-monetary financial assets is considered to be a component of market price risk not foreign currency risk.

(iii) *Interest rate risk*

Lotterywest exposures to market interest rates relates primarily to cash and cash equivalents and interest bearing investments. Lotterywest holds fixed interest investments that expose Lotterywest to fair value interest rate risk, while variable interest rate investments expose Lotterywest to fluctuation in interest income and cash flow. When appropriate, Lotterywest maintains floating to fixed interest rate profiles according its Investment Policy, which is critical to a well diversified investment strategy that forms part of the defensive components of Lotterywest's overall investment strategy.

The following table summarises the interest rate sensitivity of financial assets and liabilities at the end of the reporting period. It assumes that any change in interest rates is held constant throughout the reporting period. The sensitivity analysis provided is a movement of -1.00% and +1.00%. (2022: -0.85% and +0.85%).

As at 30 June 2023 the cash rate was 4.10% (2022: 0.85%)

	Carrying amount \$000	-1.00% Change (loss) \$000	+1.00% Change profit \$000
2023			
Financial assets			
Cash and cash equivalents	35,882	(359)	359
Other financial assets at amortised cost	441,653	(4,417)	4,417
Financial assets designated at Fair value through profit and loss [^]	40,128	(369)	369
Receivables	12,542	-	-
Financial liabilities			
Financial liabilities at amortised costs	282,671	-	-
Lease liabilities	287	-	-
Total increase/(decrease)		(5,145)	5,145

[^] It includes cash held by investment advisor, equity and debt security. Investments in equity securities are not directly exposed to interest rate risk.

	Carrying amount \$000	-0.85% Change (loss) \$000	+0.85% Change profit \$000
2022			
Financial assets			
Cash and cash equivalents	75,662	(643)	643
Other financial assets at amortised cost	331,893	(2,821)	2,821
Financial assets designated at Fair value through profit and loss	-	-	-
Receivables	9,494	-	-
Financial liabilities			
Financial liabilities at amortised costs	243,782	-	-
Lease liabilities	1,206	-	-
Total increase/(decrease)		(3,464)	3,464

Credit risk

Credit risk arises where there is a possibility that counterparties will default on interest or capital repayments resulting in financial losses to Lotterywest. Lotterywest has exposure to credit risk and financial loss on financial assets included in the Statement of Financial Position, comprising receivables, cash and investments measured at amortised cost and fair value through profit and loss. The carrying amount of financial assets represents the maximum exposure risk.

(i) Trade receivables

Lotterywest collects monies electronically from its retail network on a weekly basis and monitors the performance of retail outlets on an ongoing basis. Lotterywest holds bank guarantees as collateral for its retailer debtors and all new retail outlets are required to provide bank guarantees equivalent to one week's takings. Consequently, there is no material default risk for receivables from retailers. Lotterywest does not accept credit payment from customers purchasing directly from Lotterywest. Management believes that the credit quality of trade and other receivables that are not past due or impaired are not of a high risk. Management also believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment and customer behaviour.

(ii) Debts investments and managed investment funds

Lotterywest limits its exposure to credit risk in its general and future granting portfolios by only investing in high-credit-quality financial institutions where Lotterywest will only deal with counterparties that have a minimum credit rating issued by Standard and Poors of A- long term and Moody's of A3 long term, which is above investment grade (BBB). Although investment in BBB grade investments short term under certain conditions is possible. The credit ratings of these counterparties are monitored. The average exposure to these counterparties was \$486.2 million (2022: \$396.1 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 upper limits counterparty's and aggregate class limits.

WATC has determined the value of Lotterywest's expected credit loss for 2023 on the General and Future Granting portfolios based on the probability of default, exposure at default and loss given default using data from Bloomberg and Moody's as being \$45,609 (2022: \$66,255). As the expected credit loss is deemed immaterial, no adjustments have been made.

The main concentration to which Lotterywest is exposed in relation to the SFL Portfolio arises from investments in debt securities. Lotterywest's policy to manage this risk is to invest in debt securities that have a minimum credit rating of BBB- as designated by a well-known rating agency. As of 30 June 2023, Lotterywest does not hold debt securities below investment grade BBB-.

(iii) Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counter parties with high credit ratings assigned by international credit rating agencies.

Liquidity risk

Liquidity risk arises when Lotterywest is unable to meet its financial obligations as they fall due. Lotterywest is exposed to liquidity risk through normal trading and grant payment. Lotterywest manages liquidity risk by: providing for volatility; limiting the direct grant program to a sustainable level; and limiting investment terms to meet forecasted payment outcomes as and when they fall due. Longer term investments may also be committed or sold to meet any short-term liquidity demands should they arise.

In addition, Lotterywest has in place active monitoring of cash flow forecasts and review procedures to manage its liquidity risk.

(b) Categories of financial instruments

The carrying amount of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2023 \$000	2022 \$000
Financial assets		
Cash	35,882	75,662
Receivables ⁽ⁱ⁾	12,542	9,494
Other financial assets at amortised cost	441,653	331,893
Financial assets designated at fair value through profit and loss	40,128	-
(i) Excludes the GST recoverable from the Australian Taxation Office (statutory receivable).		
Financial liabilities		
Financial liabilities at amortised cost	282,671	243,782
Lease liabilities	287	1,206

(c) Liquidity risk and interest rate exposure

The contractual maturity amounts in the table are representative of the undiscounted principal and interest receivable or payable amounts. There are no financial assets that are past due and therefore there is no further ageing analysis for the financial assets. No financial assets are held that had their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Maturity analysis of financial assets

	Interest rate exposure					Nominal amount \$000	Maturity dates				
	Carrying amount \$000	Weighted average interest rate %	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		No contractual maturity \$000	Within 1 year \$000	1-3 years \$000	3-5 years \$000	More than 5 years \$000
2023											
Financial assets											
Cash and cash equivalents	35,882	3.87	-	35,882	-	35,882	35,882	-	-	-	-
Receivables	12,542	-	-	-	12,542	12,542	-	12,542	-	-	-
Other financial assets at amortised cost	441,653	2.58	439,152	2,501	-	442,396	-	395,687	16,849	13,743	16,117
Financial assets designated FVTPL	40,128	-	15,500	21,432	3,196	40,128	24,628	3,021	6,001	4,008	2,470
	530,205	-	454,652	59,815	15,738	530,948	60,510	411,250	22,850	17,751	18,587

2022

Financial assets											
Cash and cash equivalents	75,662	0.47	-	75,662	-	75,662	75,662	-	-	-	-
Receivables	9,494	-	-	-	9,494	9,494	-	9,494	-	-	-
Other financial assets at amortised cost	331,893	0.77	328,592	3,301	-	332,596	-	292,949	20,107	13,743	5,797
Financial assets designated FVTPL	-	-	-	-	-	-	-	-	-	-	-
	417,049	-	328,592	78,963	9,494	417,752	75,662	302,443	20,107	13,743	5,797

Maturity analysis of financial liabilities

	Interest rate exposure					Nominal amount \$000	Maturity dates			
	Carrying amount \$000	Weighted average interest rate %	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Within 1 year \$000	1-3 years \$000	3-5 years \$000	More than 5 years \$000
2023										
Financial liabilities										
Financial liabilities measured at amortised cost	282,671	-	-	-	282,671	282,671	212,911	9,120	9,120	51,520
Lease liabilities	287	1.16	287	-	-	287	69	118	82	18
	282,958	-	287	-	282,671	282,958	212,980	9,238	9,202	51,538
2022										
Financial liabilities										
Financial liabilities measured at amortised cost	243,782	-	-	-	243,782	243,782	192,922	6,720	6,720	37,420
Lease liabilities	1,206	2.90	1,206	-	-	1,208	1,104	68	35	1
	244,988		1,206	-	243,782	244,990	194,026	6,788	6,755	37,421

Fair value

All financial assets and liabilities, whether 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.

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed by way of note and, if quantifiable, measured at the best estimate inclusive of GST receivable or payable respectively.

Lotterywest is not aware of any contingent assets and liabilities as at 30 June 2023.

9. OTHER DISCLOSURES

This section includes additional material disclosures to comply with Australian Accounting Standards and Treasurer's Instructions.

	Notes
Equity	9.1
Initial application of Australian Accounting Standards	9.2
Future impact of Accounting Standards issued but not yet effective	9.3
Remuneration of auditors	9.4
Compensation of key management personnel	9.5
Related party transactions	9.6
Related and affiliated bodies	9.7
Events occurring after the end of the reporting period	9.8
Supplementary financial information	9.9
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9.1 Equity

The Western Australian Government holds the equity interest in Lotterywest on behalf of the community. Equity represents the residual interest in the net assets of Lotterywest and comprises the following

	2023 \$000	2022 \$000
Asset revaluation reserve ^(a)		
Balance at start of year	1,766	1,646
Transfer to Retained Earnings	-	-
Asset revaluation increments	303	120
Balance at the end of the period	2,069	1,766
Retained earnings ^(b)		
Balance at start of the year	160,093	101,225
Transfer from Asset Revaluation Reserve	-	-
Profit for the period	62,220	58,868
Balance at the end of the period	222,313	160,093
Total equity	224,382	161,859

(a) The asset revaluation reserve records increments/decrements in the fair value of land and buildings.

Decrements are recognised in this reserve only to the extent that they were previously recognised as increments for the same asset class.

(b) This represents the accumulated profits from previous years and the profit or (loss) in the current year.

9.2 Initial application of Australian Accounting Standards

The following standards are operative for reporting periods ended on or after 30 June 2023:

- AASB 2020-3 – Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2022-3 – Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities Accompanying AASB 15

Lotterywest considers the above standards do not have material impact on agency accounts.

9.3 Future impact of Australian Accounting Standards issued but not yet effective

Lotterywest cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, Lotterywest plans to apply the following Australian Accounting Standards from their application date.

**Operative
for
reporting
periods
beginning
on/after**

AASB 2020-1	<p><i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current.</i></p> <p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>There is no financial impact to Lotterywest.</p>	1 Jan 2024
AASB 2020-6	<p><i>AASB 2020-6: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i></p> <p>This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.</p> <p>Lotterywest does not expect a material financial impact when the Standard is first applied.</p>	1 Jan 2024
AASB 2021-2	<p><i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i></p> <p>This Standard amends a number of accounting standards to improve accounting policy disclosures and clarify the distinction between changes in accounting policies and accounting estimates.</p> <p>Lotterywest does not expect a material financial impact when the Standard is first applied.</p>	1 Jan 2024

9.4 Remuneration of auditors

The total fees to the Auditor General for statutory audits are as follows:

	2023 \$000	2022 \$000
Auditing the accounts, financial statements and performance indicators	191	201

9.5 Compensation of key management personnel

The Commission has determined that key management personnel include State Government Ministers, our Minister, the WA Premier (current), Lotterywest's Board members, CEO and Senior Executive Services (SES) designated Senior Officers. However, the Commission is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Compensation of members of the accountable authority

Compensation band (\$)	2023 No.	2022 No.
30,001 - 40,000	5	5
40,001 - 50,000	-	-
60,001 - 70,000	1	1
	6	6

	2023 \$000	2022 \$000
Short term employee benefits	219	219
Post employment benefits	23	22
Other long term benefits	-	-
Termination benefits	-	-
Total compensation of members of the accountable authority	242	241

Compensation of senior officers[^]

Compensation band (\$)	2023 No.	2022 No.
50,001 - 100,000 ^(a)	-	1
100,001 - 150,000 ^(b)	-	1
150,001 - 200,000 ^{(b)(c)}	-	4
200,001 - 250,000	5	2
350,001 - 400,000 ^(a)	1	-
	6	8

(a) One senior officer left Lotterywest in September 2021.

(b) Includes senior officers whose period of service commenced less than 12 months in 2021-22.

(c) One individual acted in a senior officer role for 6 months in 2021-22.

Compensation paid	2023 \$000	2022 \$000
Short term employee benefits	1,128	1,092
Post employment benefits	133	125
Other long term benefits	141	131
Termination benefits	-	-
Total compensation of senior officers	1,402	1,348

[^] Senior officers are designated as those members of Corporate Executives.

[^] Total compensation includes total fees, salaries, superannuation, non-monetary benefits and other benefits incurred by Commission in respect of key management personnel.

[^] No senior officers employed at the end of the reporting period are members of the Pension Scheme.

9.6 Related party transactions

Lotterywest is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, Lotterywest is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of Lotterywest include:

- All Ministers and their close family members, and their controlled or jointly controlled entities;
- All senior officers and their close family members, and their controlled or jointly controlled entities;
- Other departments and public sector entities, including related bodies included in the whole of government consolidated financial statement;
- Associates and joint ventures, that are included in the whole of government consolidated financial statement; and
- The Government Employee Superannuation Board (GESB).

Significant transactions with government related entities:

- Services received free of charge (Note 3.5);
- Services provided free of charge (Note 9.10);
- Vehicle lease rental payments of \$0.08 million (2022: \$0.08 million), office rental of \$0.753 million (2022: \$nil), and leasehold capital improvement of \$1.17 million (2022: \$nil) were paid to the Department of Finance during the year 30 June 2023;
- Insurance payments to RiskCover fund during the year 30 June 2023 was \$0.29 million (2022: \$0.26 million);
- Service Level Arrangement with Healthway (Note 3.5);
- Grants provided to Health, Sports, and Arts (Note 4.2);
- Grants from State Government (Note 3.5);
- Remuneration for services provided by the Auditor General (Note 9.4), and
- Superannuation payment to GESB during the year ending 30 June 2023 was \$2.87 million (2022: \$2.74 million).

Material transactions with other related parties

Outside of general citizen type transactions, there were no material related party transactions with key management personnel or their close family members or their controlled or jointly controlled entities for the year ended to 30 June 2023.

9.7 Related and affiliated bodies

Section 26 (1) of the Act requires details of all grants recipients to be listed separately, including grants provided to any affiliated bodies. There were no related and/or affiliated bodies requiring disclosure for the year. A full list of grants approved is disclosed in the Annual Report.

9.8 Events occurring after the end of the reporting period

There has been no event subsequent to the end of the reporting period which would have a material effect on Lotterywest's financial statement at 30 June 2023.

9.9 Supplementary financial information

	2023 \$000	2022 \$000
Write-offs		
Bad debts written-off	-	2
Unacquitted Grants written-off	63	40
Play online transactions written-off	10	6
Portable and attractive assets	-	2
Others	7	-
	80	50

9.10 Services provided free of charge

During the reporting period, Lotterywest provided grant administration services free of charge to:

	2023 \$000	2022 \$000
The Department of Premier and Cabinet	153	-

9.11 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 10% and \$1,022,080.

Significant variations

Actual and estimates (original budget) of revenues and expenditures for 2023

	2023 Actual \$000	2023 Budget \$000	Variance \$000
Revenue			
Revenue from contracts with customers	1,222,970	984,413	238,557 (a)
Revenue from contracts with retailers	4,269	4,514	(245)
Total revenue from contracts	1,227,239	988,927	238,312
Less: Cost of sales			
Prizes	685,382	550,961	134,421
Printing costs	3,282	4,083	(801)
Retailers' commission	81,798	70,498	11,300
Goods and Services Tax	49,232	39,521	9,711
Total cost of sales	819,694	665,063	154,631 (b)
Trading profit	407,545	323,864	83,681
Other revenue			
Investment income	15,044	2,799	12,245
Other	26,258	14,273	11,985
Total other revenue	41,302	17,072	24,230 (c)
Net gain from other activities			
Other gains	2	-	2
Total net gain	2	-	2
Expenses			
Lotteries operations	69,420	82,400	(12,980)
Grants and community development operations	18,295	19,808	(1,513)
Total operating expenses	87,715	102,208	(14,493) (d)
Profit from operating activities	361,134	238,728	122,406

	2023 Actual \$000	2023 Budget \$000	Variance \$000
Total returns to beneficiaries			
Direct grants^	130,184	110,000	20,184
State Pool Account	176,761	142,331	34,430
Sport/Arts Lotteries Accounts	44,190	35,582	8,608
Total returns to beneficiaries	351,135	287,913	63,222 (e)
Income from State Government			
Income from other public sector entities	2,952	2,852	100
Resources received	37	-	37
GST Reimbursement for Gaming Margin	49,232	39,521	9,711 (f)
Total income from State Government	52,221	42,373	9,848
Net profit/(loss)	62,220	(6,812)	69,032

^ net of grants not taken up

(a) Revenue from contracts with customers

Sales revenue was \$238.6 million above budget primarily due to higher sales across all products. This translated into a record year for total sales, including a full year record for Scratch'n'Win sales. Game changes also contributed to higher Powerball sales.

(b) Total Cost of Sales

Prize allocations, printing costs, retailers' commission and Goods and Services Tax exceed the budget as they are linked to higher sales.

(c) Total Other Revenue

The Other Revenue was \$24.2 million above budget mainly due to better return on investment, higher than expected grants returned and written back from previous years, and higher forfeited prizes.

(d) Total expenses from Lotteries and Grants operations

Operating expenses were \$14.5 million below budget primarily due to delays to expenditure across accommodation, salaries and wages, IT systems, service, and contracts and digital.

(e) Total Returns to Beneficiaries

Statutory funding to State Pool Account, Sports and the Arts is distributed according to section 22 of the Act. Total Statutory Grants were \$43.0 million above budget due to increased sales.

(f) GST reimbursement for gaming margin

GST reimbursement for gaming margin is in proportion to the increase in sales. The higher sales resulted in elevated GST reimbursement.

Significant variations

Actual revenues and expenditures for 2023 and 2022

	2023 Actual \$000	2022 Actual \$000	Variance \$000	
Revenue				
Revenue from contracts with customers	1,222,970	1,200,651	22,319	(a)
Revenue from contracts with retailers	4,269	4,234	35	
Total revenue from contracts	1,227,239	1,204,885	22,354	
Less: Cost of sales				
Prizes	685,382	671,178	14,204	
Printing costs	3,282	4,528	(1,246)	(b)
Retailers' commission	81,798	82,266	(468)	
Goods and Services Tax	49,232	47,737	1,495	
Total cost of sales	819,694	805,709	13,985	(c)
Trading profit	407,545	399,176	8,369	
Other revenue				
Investment income	15,044	3,397	11,647	(d)
Forfeited prizes	13,028	4,153	8,875	(e)
Grants refunds and write-backs prior years	13,219	3,425	9,794	(f)
Other	11	155	(144)	
Total other revenue from lottery activities	41,302	11,130	30,172	
Net gain/(loss)				
Other gains	2	3,409	(3,407)	(g)
Total net gain/(loss)	2	3,409	(3,407)	
Expenses				
Lotteries operations	69,420	66,897	2,523	
Grants and community development operations	18,295	15,815	2,480	
Total operating expenses	87,715	82,712	5,003	(h)
Profit from operating activities	361,134	331,003	30,131	
Total returns to beneficiaries				
Direct grants [^]	130,184	105,257	24,927	
State Pool Account	176,761	174,048	2,713	
Sport/Arts Lotteries Accounts	44,190	43,512	678	
Total returns to beneficiaries	351,135	322,817	28,318	(i)

	2023 Actual \$000	2022 Actual \$000	Variance \$000	
Income from State Government				
Income from other public sector entities	2,952	2,890	62	
Resources received	37	55	(18)	
GST Reimbursement for Gaming Margin	49,232	47,737	1,495	(j)
Total income from State Government	52,221	50,682	1,539	
Net profit	62,220	58,868	3,352	

[^] net of grants not taken up

(a) Revenue from contracts with customers

Revenue from customers is \$22.4 million higher primarily due to higher sales across all products except Powerball and Oz Lotto jackpot games which were slightly lower.

(b) Printing cost

Printing cost was lower by \$1.2 million mainly due to a reduction in the printing cost of Scratch'n'Win books.

(c) Cost of Sales

Cost of sales were higher than the previous year as they are linked to lottery sales.

(d) Investment income

Investment income increased \$11.6 million due to higher interest rates delivering better returns on interest income with a mix of bonds, long-term fixed deposits, and bank interest.

(e) Forfeited prizes

Forfeited prizes increased by \$8.9 million. With the expiration of the temporary prize claim extension in March 2022, ticket expiry rules were restored, and the number of forfeited prizes increased in comparison with the prior year.

(f) Grants refunds and write-backs

Grants refunds and write-backs increased by \$9.8 million due to the 2023 reinstatement of the overdue drawdown and acquittal procedure not enforced during financial years 2021 and 2022 due to COVID-19. This resulted in increased write-backs and refunds from grants relating to financial years 2021 and 2022.

(g) Other gains

The \$3.4 million gain recorded in 2022 was largely due to the transfer of our Head Office lease at 38 Station Street, Subiaco to the Minister for Works (care of Department of Finance).

(h) Total expenses from Lotteries and Grants operations

Expenses were \$5 million above 2022 primarily due to increases in salaries and professional fees, increased services and contract spend relating to project work and advertising increases.

(i) Total returns to beneficiaries

Overall total return to beneficiaries increased \$28.3 million. Statutory funding to State Pool Account, Sports and the Arts is distributed according to section 22 of the Act and is directly linked to increased lottery sales. Total Statutory Grants increased \$3.4 million in line with the increase in lottery sales.

Direct Grants were distributed according to sections 19 and 24 of the Act.

(j) GST reimbursement for gaming margin

GST reimbursement for gaming margin is in proportion to the increase in sales. The higher sales resulted in increased GST reimbursement.

Grants approved to the WA community

Amount figures not inclusive of writeback or refund amounts.

Grant customer	Amount
ABC Foundation Ltd.	\$1,636,107
Aboriginal Art Centre Hub of Western Australia Aboriginal Corporation	\$2,512,800
Aboriginal Health Council of Western Australia	\$300,000
Acts Community Care Network Limited	\$34,500
ADHD Western Australia Incorporated	\$78,645
Adult and Teen Challenge WA Inc.	\$103,216
Agencies for South West Accommodation Inc.	\$150,000
Agrawal Association of Western Australia Incorporated	\$3,000
Albany Mountain Bike Club Inc	\$15,000
Albany Occasional Child Care Centre Inc	\$20,000
Albany Pride Incorporated	\$15,000
Alchera Living (Inc)	\$4,070
Ambedkarite Buddhist Community Incorporated	\$3,500
Anglicare WA Inc.	\$927,080
Arthritis Foundation of W.A. Incorporated	\$56,050
Arts Law Centre of Australia	\$231,000
Arts Margaret River Incorporated	\$52,800
Assisting Your Life to Achieve (AYLA) Inc	\$35,000
Augusta Community Resource Centre (Inc.)	\$14,000
Augusta Hall Management Committee	\$15,000
Augusta River Festival (Inc)	\$25,000
Australian Red Cross Society - Western Australian Division	\$539,611
Australian-Asian Association of Western Australia (Incorporated)	\$30,000
Australia's South West Incorporated	\$10,000
Australia's South West Incorporated	\$5,000
Awards WA Inc.	\$23,215
AWESOME Arts Australia Ltd	\$400,000
Badgebup Aboriginal Corporation	\$140,000
Badgingarra Community Association (Inc)	\$10,000
Baiyungu Aboriginal Corporation	\$100,000
Bangali Society for Puja and Culture Inc.	\$7,495

Grant customer	Amount
Bangladesh Australia Association of Western Australia Incorporated	\$8,635
Baptist Union of Western Australia - Mount Barker Community Resource Centre	\$39,500
Bayswater Organisation of Loan Toys (Inc)	\$12,912
Bega Garnbirringu Health Services Incorporated	\$39,530
Bengali Association of Western Australia Incorporated	\$8,500
Bibbulmun Track Foundation (Inc)	\$29,451
Bibbulmun Track Foundation (Inc)	\$10,600
Bicycles For Humanity (WA) Inc.	\$56,410
Big Hart Inc.	\$375,000
Bindoon and Districts Agricultural Society Inc	\$15,000
Blues at Bridgetown Incorporated	\$22,006
Boab Festival at Derby	\$20,000
Boddington Community Resource Centre Inc	\$10,000
Boddington Sports and Community Club Inc.	\$109,000
Boddington Women's Shed Inc.	\$6,600
Bonsai Society of Western Australia Incorporated	\$8,000
Brabham Multicultural Club Incorporated	\$6,500
Brightwater Care Group Limited	\$600,000
Bringing Them Home WA Incorporated	\$735,000
Bringing Them Home WA Incorporated	\$35,000
Broome Aboriginal Media Association (Aboriginal Corporation)	\$90,000
Broome Community Information Resource Centre and Learning Exchange	\$372,648
Broome Community Information Resource Centre and Learning Exchange	\$40,950
Broome Historical Society Inc	\$30,000
Broome Senior High School Bush Rangers Cadets	\$13,891
Bunbury Chinese New Year Festival Incorporated	\$5,500
Bunbury Fringe Inc.	\$20,000
Bunbury Multicultural Group Incorporated	\$20,000
Bunuba Cultural Conservation Institute Limited	\$397,131
Busselton Allsports Inc.	\$20,000
Busselton Brass (Inc.)	\$15,000
Busselton Jetty Inc.	\$1,000,000
Canning Agricultural Horticultural and Recreational Society (Inc.)	\$20,000
Carers Association of Western Australia Incorporated	\$39,675

Grant customer	Amount
Carnamah Child Care Centre Inc	\$8,000
Carnarvon Windfest Incorporated	\$15,000
Casson Homes Incorporated	\$8,615
Cat Welfare Society Inc	\$105,835
Celebrate Western Australia (Inc)	\$900,000
Centacare Kimberley Limited	\$90,000
Centre for Asylum Seekers, Refugees and Detainees Inc	\$150,000
Centre for Asylum Seekers, Refugees and Detainees Inc	\$117,700
Centre for Women's Safety and Wellbeing Incorporated	\$629,281
Centre for Women's Safety and Wellbeing Incorporated	\$20,000
Centrepont Church Incorporated	\$15,000
CFSS WA Ltd	\$50,000
CFSS WA Ltd	\$42,712
Chamber of Arts and Culture WA Incorporated	\$203,000
Champion Lakes Residents Association Inc	\$5,000
Chapman Valley Agricultural Society Incorporated	\$11,100
Children's Leukaemia and Cancer Research Foundation Inc	\$11,000
Children's Leukaemia and Cancer Research Foundation Inc	\$9,000
Chittering Valley Land Conservation District Committee	\$106,501
Chung Wah Association	\$25,000
City of Albany	\$100,000
City of Albany	\$45,000
City of Armadale	\$35,000
City of Belmont	\$30,000
City of Bunbury	\$30,000
City of Fremantle - Fremantle Community Legal Centre	\$12,000
City of Gosnells	\$40,000
City of Greater Geraldton	\$1,445,572
City of Greater Geraldton	\$90,000
City of Joondalup	\$45,000
City of Kalamunda	\$290,000
City of Kalgoorlie-Boulder	\$2,100,000
City of Kalgoorlie-Boulder	\$53,424
City of Mandurah	\$20,000
City of Melville	\$709,175
City of Melville	\$50,000
City of Melville	\$50,000
City of Melville - Citizens Relief Fund	\$25,000

Grant customer	Amount
City of Nedlands	\$20,000
City of Perth	\$2,500,000
City of Perth	\$825,000
City of Rockingham	\$1,000,000
City of South Perth	\$20,000
City of Swan	\$2,000,000
City of Swan	\$182,774
Club Malayalam Inc	\$9,300
Cockburn Community Men's Shed Inc	\$55,000
Combined Districts Concert Band (Inc.)	\$15,000
Comfort Quilts Against Cancer Inc	\$17,402
Communicare (Inc.)	\$1,840,240
Community Bridge Club Incorporated	\$4,655
Compassionate Friends Mandurah Inc.	\$71,600
Congolese Community of WA Incorporated	\$4,900
ConnectGroups - Support Groups Association WA Inc	\$9,565
Consular Corps of Western Australia Inc	\$20,000
Consumer Credit Legal Service (W.A.) Inc.	\$126,000
Coogee Community Garden WA Incorporated	\$10,000
Coolgardie Day Celebrations Inc	\$15,000
Coorow Community Christmas Tree	\$3,879
Council on the Ageing (Western Australia) Incorporated	\$353,366
Crossways Community Services Inc	\$494,000
Crossways Community Services Inc	\$161,000
Curtin University	\$30,838
Cystic Fibrosis Western Australia (Inc)	\$29,400
Cystic Fibrosis Western Australia (Inc)	\$9,525
Dalyellup Collective Inc.	\$15,000
Dardanup Bull and Barrel Festival Incorporated	\$14,399
Darling Downs Residents Association Incorporated	\$12,841
Darling Range Wind Ensemble Inc.	\$15,000
Darlington Arts Festival Association Inc	\$24,000
Darlington Family Playgroup, Inc.	\$10,000
Deafness Council Western Australia Incorporated	\$8,500
Denmark Arts Council	\$30,000
Denmark Environment Centre (Inc)	\$86,400
Denmark Men's Shed Inc.	\$22,000
Derbarl Yerrigan Health Service Aboriginal Corporation	\$100,000

Grant customer	Amount
Diabetes WA Ltd.	\$50,348
Diabetes WA Ltd.	\$25,589
Dongara Community Resource Centre Inc.	\$18,545
Donnybrook Apple Festival Inc.	\$19,000
Dunsborough and Districts Progress Association Incorporated	\$15,000
Dutch Aged Care (Western Australia) Inc	\$75,600
Eastern Metropolitan Regional Council	\$141,000
Eaton Primary School Parents and Citizens' Association Incorporated	\$4,109
Edith Cowan University	\$251,370
Edmund Rice Centre WA Inc.	\$57,085
El Shaddai Kwinana Christian Fellowship Inc	\$18,000
Ellenbrook Community Collective Incorporated	\$25,000
Ellenbrook Multicultural Community Inc.	\$10,000
Esperance Care Services Inc.	\$70,000
Esperance Crisis Accommodation Service Inc.	\$8,100
Esperance Tjaltjraak Native Title Aboriginal Corporation RNTBC	\$533,000
Esperance-Goldfields Surf Lifesaving Club Inc.	\$742,000
Exmouth Community Support Group Inc.	\$30,000
Exmouth Volunteer Marine Rescue Group Incorporated	\$7,500
Family Inclusion Network of Western Australia Inc.	\$527,000
Family Planning Association of Western Australia (Inc.)	\$1,163,475
Filipino - Australian Club of Perth Inc	\$10,000
Financial Counsellors Association of Western Australia	\$45,000
Financial Toolbox Inc as Trustee for Financial Toolbox Women at Risk Trust	\$200,000
Fine Rendition Operatic and Lyrical Intercultural Collaboration (FROLIC) Inc.	\$61,343
First Hike Project Inc	\$10,000
Fishability Incorporated	\$77,000
Floreat Toy Library Inc	\$9,266
Foothills Information and Referral Service Incorporated	\$50,000
FORM Building a State of Creativity Inc	\$221,000
Fremantle Biennale Inc	\$250,000
Fremantle Bridge Club Inc.	\$3,500
Friends of Edenvale (Inc)	\$6,909
Friends of Edenvale (Inc)	\$4,311
Friends of Queens Park Bushland Inc	\$6,753

Grant customer	Amount
Gascoyne In May Inc.	\$60,000
Gawooleng Yawoodeng Aboriginal Corporation - Kununurra Crisis Accommodation Centre Inc	\$92,224
Geographe French Australian Festivals Incorporated	\$53,300
Girl Guides Western Australia Inc	\$240,350
Goldfields Aboriginal Language Centre Aboriginal Corporation	\$129,150
Goldfields Aboriginal Language Centre Aboriginal Corporation	\$59,587
Goldfields Womens Refuge Association	\$450,000
Gondwana Link Ltd	\$572,875
Good Samaritan Industries	\$2,900,000
Goomalling Toy Library Incorporated	\$8,550
Gosnells Community Legal Centre (Inc)	\$80,000
Graylands Hospital Volunteer Service Inc.	\$20,000
Great Southern Noongar Aboriginal Corporation	\$117,676
Greek Australian Returned and Services League Incorporated	\$300,000
Gurukul WA Inc.	\$5,900
Harvest Lakes Residents' Association Incorporated	\$10,131
Haven Centre Inc.	\$15,000
Hazel Orme Community Kindergarten Inc	\$40,000
Hello Initiative Incorporated	\$109,734
Helping Out People Everywhere Incorporated	\$60,000
Hills Billy Carts Incorporated	\$15,000
Hindi Samaj of Western Australia Incorporated	\$6,800
Holocaust Institute of W.A. Incorporated	\$500,000
Home Away from Home Inc	\$300,000
Impact Seed Partnerships Ltd	\$255,000
Impound Feline Rescue Inc	\$3,550
In Town Centre Incorporated	\$17,000
Indian Ocean Craft Triennial Inc.	\$234,400
Indian Society of Western Australia	\$60,000
Indigenous Emerging Business Forum Aboriginal Corporation	\$325,000
Indigo Junction Incorporated	\$422,509
Indigo Junction Incorporated	\$220,500
Institute of Indigenous Wellbeing and Sports Western Australia	\$36,822
Irrunytju Community Incorporated	\$181,651
Jazz Club of W.A. Inc.	\$3,600
Jobs South West Inc	\$48,225
Joondalup Christmas Lunch	\$15,000

Grant customer	Amount
Jurien Bay Community Resource Centre Inc.	\$6,000
K9 Rescue Group (Inc.)	\$180,000
Kaata-Koorliny Employment and Enterprise Development Aboriginal Corporation	\$262,020
Kaata-Koorliny Employment and Enterprise Development Aboriginal Corporation	\$130,000
Kadadjiny Aboriginal Corporation	\$87,780
Kalamunda Men's Shed Inc	\$3,845
Kalbarri State Emergency Service Unit (Inc.)	\$15,000
Kanyana Wildlife Rehabilitation Centre Inc.	\$10,000
Katanning Aboriginal Corporation	\$14,863
Katanning Agricultural Society Incorporated	\$20,000
Kidsafe Western Australia (Inc.)	\$59,809
King River Recreational Club	\$57,480
Kinship Connections Aboriginal Corporation	\$295,075
Kinship Connections Aboriginal Corporation	\$105,357
Kiwi Community Events and Celebrations Association Inc.	\$10,000
Koordak Aboriginal Corporation	\$26,098
Lake Grace Community Men's Shed Inc.	\$20,500
Leading Youth Forward Incorporated	\$36,400
Leschenault Catchment Council (LCC) Incorporated	\$563,050
Leschenault Catchment Council (LCC) Incorporated	\$21,709
Leschenault Men's Shed Inc.	\$366,878
Lester Inc.	\$41,000
Lions Club of Donnybrook (Inc.)	\$9,000
Lions Club of Hyden	\$10,300
Lions Club of Manjimup	\$4,800
Lions Club of Serpentine-Jarrahdale	\$10,000
Lions Club of Whitfords	\$7,369
Literature Centre Inc.	\$14,100
Lucy Saw Centre Association	\$60,000
Maharashtra Mandal of Perth, Western Australia Inc.	\$7,500
Malayalee Association of Western Australia Incorporated	\$10,000
Mandurah Community Gardens Inc	\$15,000
Mandurah Concert Band Inc.	\$5,000
Mandurah Plein Air Artists Incorporated	\$10,000
Mandurah Plein Air Artists Incorporated	\$10,000
Manjimup Cherry Harmony Festival Inc	\$20,000

Grant customer	Amount
Margaret River Community Centre Inc.	\$20,000
Marmion Avenue Community Child Care Inc.	\$11,407
Marra Worra Worra Aboriginal Corporation	\$115,000
Marribank Aboriginal Corporation	\$329,531
Meerilinga Children and Community Foundation Incorporated	\$60,000
Meerilinga Children and Community Foundation Incorporated	\$55,500
Menora Charity Fund Incorporated	\$50,000
Mens Outreach Service Aboriginal Corporation	\$284,475
Men's Sheds of WA Inc.	\$604,505
Metropolitan Migrant Resource Centre Inc.	\$41,000
Metropolitan Symphony Orchestra Incorporated	\$6,448
Midwest Multicultural Association (WA) Incorporated	\$20,000
Mission Australia	\$169,649
Mission Australia	\$90,000
Mission Australia as Trustee for the Sir David Martin Foundation	\$200,000
Motion by the Ocean Inc.	\$35,458
Motor Museum of Western Australia Pty Ltd acting as Trustee for the Motor Museum of Western Australia Trust	\$54,545
Mowanjum Artists Spirit of the Wandjina Aboriginal Corporation	\$40,000
Mullewa District Agricultural Society	\$6,417
Multicultural Services Centre of Western Australia Incorporated	\$300,000
Murdoch University	\$1,541,210
Murray Toy Library Incorporated	\$14,175
NAIDOC Perth Incorporated	\$150,000
Nannup Garden Village Inc	\$20,000
Nannup Music Club Incorporated	\$20,000
Nardine Wimmins Refuge	\$25,000
Narrogin Chamber of Commerce	\$5,000
National Disability Services Limited - National Disability Services Western Australia	\$56,295
National Seniors Australia Perth Western Suburbs Branch Inc	\$8,500
Nepali Association of Western Australia (NAWA) Incorporated	\$6,000
New Life Welfare (W.A.) Incorporated	\$42,000
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council Aboriginal Corporation	\$521,508
Non-Resident Nepali Association Australia Limited	\$15,000
Noongar Mia Mia Pty Ltd	\$388,043
Northampton District Agricultural Society Incorporated	\$10,000

Grant customer	Amount
Northampton District Agricultural Society Incorporated	\$10,000
Northampton Old School Community Initiative Incorporated	\$51,536
One Big Voice Festival Inc	\$45,804
Orana House (Inc)	\$27,157
Organisation of African Communities in Western Australia Inc.	\$30,000
Outback Academy Australia Limited	\$2,893,000
Ozzy Samba School Inc.	\$15,000
Padbury Community Kindergarten Inc	\$7,073
Panyume Development Organization, Inc	\$3,839
Pathways South West Inc	\$33,369
Paupiyala Tjarutja Aboriginal Corporation	\$194,260
Peel-Harvey Catchment Council Incorporated	\$47,800
Pemberton Community Resource Centre Inc	\$236,207
Pemberton Mill Hall Restoration Committee Incorporated	\$63,240
People With Disabilities (W.A.)	\$46,500
Performing Arts Centre Society (Incorporated.)	\$70,000
Perth Childrens Hospital Foundation Limited	\$1,500,000
Perth Festival Ltd	\$7,700,000
Perth Indonesian Community Incorporated	\$18,000
Perth Inner City Youth Service Inc	\$54,040
Perth International Cabaret Festival Limited	\$35,000
Perth International Jazz Festival Inc.	\$95,000
Perth International Jazz Festival Inc.	\$95,000
Perth Region NRM Inc	\$719,000
Perth Symphony Orchestra Limited	\$157,669
Perth United Malayalee Association Inc.	\$10,000
Philanthropy Australia Ltd.	\$627,325
Phoenix Animation and Gaming Events Incorporated	\$15,000
Pilbara Health Network Ltd	\$14,456
Pivot Support Services Incorporated	\$90,000
Pivot Support Services Incorporated	\$50,000
Pivot Support Services Incorporated	\$50,000
Polish School WA Incorporated	\$10,000
PortCare Incorporated	\$18,000
Pregnancy Assistance (Incorporated)	\$13,000
Pride Western Australia Incorporated	\$160,000
Probashi Bengali of Western Australia Incorporated	\$5,000
Propel Youth Arts WA Incorporated	\$116,831

Grant customer	Amount
PROST! Exercise 4 Prostate Cancer Inc	\$15,000
Puntukurnu Aboriginal Medical Service Aboriginal Corporation	\$188,512
Quairading Agricultural Society Inc.	\$8,000
Quairading Rainmakers Inc	\$3,155
Rangelands NRM Co-ordinating Group (Inc.)	\$477,250
Ravensthorpe Community Resource Centre Inc	\$42,951
Reconciliation (WA) Incorporated	\$503,895
Reconciliation Western Australia Inc	\$140,000
Reconciliation Western Australia Inc	\$50,000
Regional Alliance West Incorporated	\$45,000
Regional Development Australia Peel Inc.	\$100,000
REmida Perth Inc	\$69,820
Returned and Services League of Australia WA Branch Incorporated	\$1,366,556
Riding for the Disabled Association Denmark Centre T/A HorsePower Denmark Inc	\$8,500
River Angels Inc	\$4,000
Riverview Community Services Inc.	\$120,000
Rockingham Community Shed for Men (Inc)	\$4,500
Rockingham Entertainers Inc	\$15,000
Rockingham Tourism Association Inc.	\$20,000
Roman Catholic Archbishop of Perth - Centacare Employment and Training	\$300,000
Roman Catholic Archbishop of Perth - The Shopfront	\$10,000
Roman Catholic Bishop of Geraldton - Centacare Family Services	\$46,156
Rotary Club of Applecross Inc.	\$15,000
Rotary Club of Applecross Inc.	\$15,000
Rotary Club of Baldivis Incorporated	\$15,000
Rotary Club of Mandurah Districts Western Australia Incorporated	\$5,000
Rotary Club of Palm Beach Western Australia Inc	\$27,500
Royal Aero Club of Western Australia	\$5,500
Royal Agricultural Society of Western Australia	\$650,000
Royal Agricultural Society of Western Australia	\$650,000
Royal Western Australian Historical Society Incorporated	\$49,615
Royal Western Australian Historical Society Incorporated	\$11,600
Ruah Community Services	\$2,900,000

Grant customer	Amount
Ruah Community Services	\$862,500
Sailability W.A. Inc	\$7,500
Salvation Army (WA) Property Trust	\$500,000
Salvation Army (WA) Property Trust	\$405,375
Samaritans (Western Australia) Limited	\$508,000
Saving Animals From Euthanasia Inc.	\$122,280
Scarborough Beach Association (Inc)	\$18,000
Scout Association of Australia, Western Australian Branch	\$886,000
Screenwest (Australia) Limited	\$7,700,000
Sculpture By The Sea Incorporated	\$165,032
Seniors' Recreation Council of WA (Inc)	\$37,500
Sensorium Theatre Incorporated	\$110,000
Share & Care Community Services Group Incorporated	\$180,000
Shelter WA Inc	\$254,506
Shelter WA Inc	\$193,385
Shinju Matsuri Inc.	\$70,000
Shire of Augusta Margaret River	\$150,000
Shire of Boddington	\$100,000
Shire of Broome	\$6,000,000
Shire of Capel	\$1,900,000
Shire of Carnarvon	\$155,152
Shire of Dowerin	\$14,800
Shire of Dowerin	\$14,760
Shire of East Pilbara	\$30,000
Shire of Exmouth	\$300,000
Shire of Exmouth	\$103,240
Shire of Katanning	\$30,000
Shire of Kojonup	\$31,100
Shire of Kondinin	\$25,000
Shire of Leonora	\$30,000
Shire of Meekatharra	\$240,000
Shire of Meekatharra	\$20,000
Shire of Mingenew	\$500,000
Shire of Mt Marshall	\$10,000
Shire of Mundaring	\$152,510
Shire of Murchison	\$250,000
Shire of Murray	\$21,000
Shire of Narrogin	\$50,000

Grant customer	Amount
Shire of Nungarin	\$250,000
Shire of Shark Bay	\$20,000
Shire of Wickepin	\$25,155
Shire of Wyndham-East Kimberley	\$950,000
SNAICC - National Voice for our Children (Aboriginal and Torres Strait Islander Corporation)	\$498,840
South West Counselling Inc.	\$6,900
Southcare (Incorporated)	\$80,000
Southern Aboriginal Corporation	\$96,600
Southern Agcare Inc.	\$30,000
Southwest Irish Community Group Incorporated	\$6,000
Spectrum Space Inc.	\$128,997
St Patrick's Community Support Centre Limited	\$3,779,709
St Patrick's Community Support Centre Limited	\$230,000
St Patrick's Day WA Inc	\$20,000
St Vincent De Paul Society (WA) Incorporated	\$2,000,000
St. Bartholomew's House Inc	\$992,782
St. Catherine's College	\$393,900
Starick Services Inc.	\$60,000
Stephen Michael Foundation Ltd	\$695,700
Subiaco Community Men's Shed (Inc)	\$17,177
Superfins WA Incorporated	\$15,000
Surf Life Saving Western Australia Incorporated	\$394,965
Swan Estuary Reserves Action Group Inc.	\$14,666
Swan Guildford Historical Society Incorporated	\$10,912
Swan Valley Voices	\$3,000
Teach Learn Grow Inc.	\$20,000
The Australian Rangeland Society	\$29,000
Theatre 180 Inc.	\$51,765
This Story Australia Ltd	\$67,940
Tjarlirli Art Indigenous Corporation	\$28,250
Toodyay Fibre Festival Inc.	\$9,000
Town of Cambridge	\$10,000
Town of Cottesloe	\$743,900
Town of East Fremantle	\$1,345,060
Town of East Fremantle	\$20,000
Town of Victoria Park	\$30,000
Transplant Australia Limited	\$210,735

Grant customer	Amount
Treeby Community Association Inc.	\$3,028
Trinity College	\$4,800
Trustee for Channel 7 Telethon Trust	\$150,000
Trustee for Channel Seven Telethon Trust	\$150,000
Uni Camp For Kids Incorporated	\$79,000
Uniting Church in Australia Property Trust (WA) - Uniting Aid	\$135,000
Uniting Church in Australia Property Trust (WA) - Uniting Outreach Mandurah	\$70,000
UnitingCare West	\$550,000
Valued Lives Foundation Ltd	\$131,261
Vietnam Veterans Association of Australia W.A. Branch Incorporated	\$4,021
Vietnamese Community in Australia / Western Australia Chapter Incorporated	\$1,800,000
Volunteer Centre of Western Australia (Inc.)	\$265,000
Volunteer Centre of Western Australia (Inc.)	\$50,000
WA Women's Hall of Fame Inc.	\$33,500
WAITOC Association Incorporated	\$1,542,523
WAITOC Association Incorporated	\$65,000
Wandering Camp Out Weekend Inc	\$10,000
Wangka Maya Pilbara Aboriginal Language Centre (Aboriginal Corporation)	\$348,045
Warnpurru Aboriginal Corporation	\$1,171,277
Waroona Community Resource Centre Inc.	\$20,000
West Australian Men's Gathering Inc.	\$5,000
West Australian Music Industry Association Incorporated	\$55,000
West Australian Stolen Generations Aboriginal Corporation	\$226,500
West Australian Symphony Orchestra Pty Ltd	\$283,000
WestAus Crisis and Welfare Services Inc	\$55,000
Western Australia Kannada Sangha Inc	\$7,500
Western Australian Aboriginal Leadership Institute Limited	\$1,445,419
Western Australian Adult Literacy Council Incorporated	\$14,500
Western Australian Association for Mental Health (Inc.)	\$83,000
Western Australian Council of Social Service Incorporated	\$570,777
Western Australian Council of Social Service Incorporated	\$202,666
Western Australian Council of State School Organisations	\$58,500
Western Australian Cricket Association	\$5,200,000

Grant customer	Amount
Western Australian Family Violence Prevention Legal Service Aboriginal Corporation	\$154,540
Western Australian Network of Alcohol and Other Drug Agencies Incorporated	\$79,500
Western Australian Opera Company Incorporated	\$130,000
Western Australian Philatelic Council (Incorporated)	\$10,000
Western Australian Seabird Rescue (Inc.)	\$47,218
Wheatbelt and Beyond Youth Mentoring Inc.	\$310,000
Wheatbelt Arts and Events Incorporated	\$38,400
Whitelion Youth Agency Ltd	\$57,500
Whitford Church of Christ (Inc)	\$30,000
Williams Gateway Expo (Inc)	\$15,000
Wirrimanu Aboriginal Corporation	\$577,252
Women's Health Care Association	\$45,000
Wongan Cubbyhouse Incorporated	\$34,200
Woodturners Association of Western Australia (Inc)	\$10,910
Wunan Foundation Inc.	\$410,340
Wunan Foundation Inc.	\$54,445
Wungening Aboriginal Corporation	\$1,451,708
Wyndham District High School Bush Ranger Cadet Unit	\$10,241
Yanunijarra Aboriginal Corporation RNTBC	\$170,128
Yindjibarndi Community and Commercial Ltd ITF Yindjibarndi People Community Trust	\$557,875
Youth Affairs Council of Western Australia	\$504,470
Youth Futures Ltd	\$600,000
Youth Futures Ltd	\$44,100
Youth Involvement Council Incorporated	\$100,000
Zonta House Refuge Association Inc.	\$1,368,192
Zonta House Refuge Association Inc.	\$170,500
Total	\$130,563,008



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