



Government
of South Australia



**Making a
Difference.**



**Lotteries
Commission of
South Australia
2004-2005
Annual Report**

Front cover credits left to right : Glen McCurley, Dancer, Australian Dance Theatre - Jan and David Nicholas, Agents, Lotteries Kiosk Arndale - Julie Rochester, General Manager, Signs Inc - Slavka Strinic, Brand Manager, SA Lotteries - David Hardy, Manager, Legal, Compliance and Risk Management, SA Lotteries - Moffie McDonald, happy customer.

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The right values make all the difference

Our vision

To be a world class operator of entertaining and profitable games.

Our mission

To achieve our goals in a socially responsible manner,
for the benefit of the community of South Australia.

Our core values

- Operate with integrity.
- Be responsible.
- Understand consumer needs.
- Commit to service excellence.
- Be innovative.
- Meet the highest professional standards.

Our corporate objectives

- Generate maximum returns to the shareholder.
- Sustain a corporate culture that is socially, financially, economically and environmentally responsible.
- Provide high standards of quality, service and value for customers.
- Provide innovative and entertaining games.
- Provide high level support to our distribution network.
- Employ the best people and maximise their potential.
- Ensure mutually beneficial relationships with suppliers.
- Pursue and utilise the most effective technology.

The highlights of our year

- Achieved sales of **\$348.8 million**, reflecting an **increase of \$3.7 million or 1.08%** on the 2003-04 achievement of \$345.1 million.
- South Australians won **prizes totalling \$207.2 million** with the total claimed by South Australians since 1967 now reaching \$3.4 billion.
- **Paid \$89.0 million to the State Hospitals Fund**, increasing the total returned since SA Lotteries was established in 1967 to \$1.6 billion.
- Paid **\$0.2 million to the Recreation and Sport Fund**, taking the total returned since the fund was established in 1987 to \$7.6 million.
- Completed the **relocation of SA Lotteries' Head Office** from Rundle Mall, Adelaide, to modern new premises at Greenhill Road, Wayville.
- **Processed 63.6 million entries** into SA Lotteries games, providing South Australians with the opportunity to share in attractive local and national prize pools.
- **Pursued our business objectives in a socially responsible manner** for the benefit of all South Australians.

What a difference we made in 2004-05

The Honourable Kevin Foley, MP
Treasurer
Parliament House, Adelaide SA 5000

We present the Annual Report of the Lotteries Commission of South Australia in accordance with Section 18B of the *State Lotteries Act 1966*, as amended, for the year ended 30 June 2005.

In ensuring all South Australians benefit from the sale of our lottery games in a responsible manner, it is pleasing to report that players shared in \$207.2 million prize money during the 2004-05 financial year. This distribution is representative of 59.4% of total sales of \$348.8 million.

Dividend and taxation payments to the Government of South Australia were \$84.4 million. With the sale of the Rundle Mall Head Office building we also distributed a special dividend of \$6.5 million. We are pleased with this result because the return to Government benefits the broad South Australian community through the State Hospitals Fund and the Recreation and Sport Fund.

A milestone achievement during the past 12 months was the relocation of SA Lotteries' corporate Head Office from Rundle Mall to new premises on Greenhill Road, Wayville. This project was planned and executed to ensure our agents suffered little or no disruption to their business and our customers were not inconvenienced. Management and staff deserve credit for the excellent execution of this long-planned undertaking. As a consequence, our business has been streamlined for better efficiencies, and our staff are provided with a friendlier and safer working environment.





Peter LeMessurier

Commission Member



Suzanne Mackenzie

Commission Member



Stephen Shirley

Commission Member



Chris Crago

Commission Member

Our agency network of 531 members across the State has again provided an excellent service to our customers under a strict regulatory environment. We have been able to support our agent network by contributing towards their revenue with \$25.8 million in agent commission.

SA Lotteries' corporate focus is to **promote, conduct and distribute** lotteries games in a **responsible manner** for the benefit of all South Australians.

SA Lotteries operates through a range of information technology systems. The online lotteries system is critical to the conduct of business. The current system will only be supported to 2011. This year an in-house project team, supported by specialist consultants, will progress plans for a replacement online system which will require a considerable capital outlay.

Increasingly, lotteries jurisdictions are using the Internet as a distribution channel for their games to provide customers with choice and convenience of purchase. It is forecast that this mode of transaction will continue to increase. To maintain satisfactory levels of return to the Government, we must embrace Internet distribution

for SA Lotteries games, whilst also ensuring the sustainable future of our vital agency network of small business operators within the community of South Australia.

SA Lotteries' corporate focus is to promote, conduct and distribute lotteries games in a responsible manner for the benefit of the wider South Australian community. Game enhancements are continually addressed. In conjunction with our Bloc partners, the other State lotteries jurisdictions, we continue to implement strategies to ensure that attractive prize pools are offered for participants in our national games.

Without the dedication of our staff, the organisation could not function. The Commission expresses a sincere thank you for their strong commitment demonstrated throughout the past 12 months.

Hans J Ohff

Presiding Member

June Roache

Chief Executive



For 38 years,
customers
have enjoyed the
thrill of winning
and the satisfaction
of knowing that
SA Lotteries is
supporting the
State's hospitals.

The difference we make in the community

Since 29 May 1967, SA Lotteries has been making a difference for South Australians.

Established following a referendum in 1965, SA Lotteries' long history of operations has been built on the strong foundation of generating funds for the State Hospitals Fund through the responsible conduct and promotion of lotteries.

This responsibility was broadened in 1984 to also provide support to the State's Recreation and Sport Fund giving SA Lotteries the opportunity to extend its returns to the broad South Australian community.

Whilst the traditional barrel draw lotteries of our early years have given way to more innovative, contemporary games, the beneficiaries of SA Lotteries have remained constant – all South Australians.

In the last year alone, some **41 lucky locals** claimed Division One prizes, **13 of them becoming overnight millionaires.**

Over the past 38 years, countless SA Lotteries players have enjoyed the excitement of collecting prizes across SA Lotteries eight games totalling \$3.4 billion, with many of them lucky enough to experience the thrill of winning the ultimate Division One prize.

In the past year alone, some 41 lucky locals claimed Division One prizes, 13 of them becoming overnight millionaires and all of them enjoying the chance to do something special for themselves or others with their unexpected windfall.

And of course all South Australians have enjoyed the ultimate returns from SA Lotteries through the organisation's 2004-05 contribution of some \$89.0 million to the State Hospitals Fund and \$0.2 million to the Recreation and Sport Fund.

Just as SA Lotteries' games have grown over time, so too has SA Lotteries' commitment to ensuring that the games are delivered in accordance with the community's heightening responsible gambling expectations.

Whilst lottery games pleasingly remain at the softer end of the gambling spectrum, SA Lotteries is committed to responsible play initiatives with the view that one lotteries player with a lotteries play problem is one player too many. SA Lotteries is pleased to have the support of our agent network in delivering on this commitment.

We're a business with a difference

Our achievement – For nearly four decades, SA Lotteries has prided itself on operating and promoting innovative and entertaining games for South Australians in accordance with the State Lotteries Act 1966 (as amended) and the Rules under this Act.

We have offered **innovative and entertaining** lotteries games that enable us to generate maximum returns for our shareholder in a **socially responsible manner.**

With all eight games able to be offered by all agents, players across the State have the opportunity to participate in appealing local and national prize pools.

Research indicates that, in the main, players participate in lotteries in the hope of winning a major prize. That dream has come true for 78 South Australians during the year but with more than 10 million prizes paid to lucky players across all divisions, we are pleased to say that the thrill of winning has been far more widely enjoyed.

In 2004-05, our games have performed as follows:



Win it before someone else does.

SA Lotteries' flagship game, Lotto is played nationally on a Saturday night. Lotto offers players the chance to share in a guaranteed minimum Division One prize pool of \$3 million plus seven Megadraw prize pools each year. Lotto features a game matrix whereby six numbered balls are drawn from a possible 45 at a subscription of 45 cents per game.

Performance

Lotto accounted for 38.8% of total gross sales.

Highlights

Seven Megadraws, including a record \$31 million Megadraw on New Year's Eve 2004. A successful 'Five for free' promotion in October 2004 as well as the most successful Lotto promotion ever in June 2005 when players collected a bonus Maxi-Pick with every Maxi-Pick purchased on 4 June for that night's \$25 million Megadraw.

Outlook

A new marketing and advertising campaign will be launched to raise the profile of Lotto together with a suite of new Megadraw television commercials in early 2005-06.

Gross sales 2004-05

\$135.2 million

Variance from 2003-04

\$4.4 million or 3.3% increase

Average weekly entries

294 934

Value of prizes won in SA

\$67.9 million

Division One prize winners in SA

23

Total number of winners in SA

1 340 923

Gross sales 2001-2005 (\$'000)



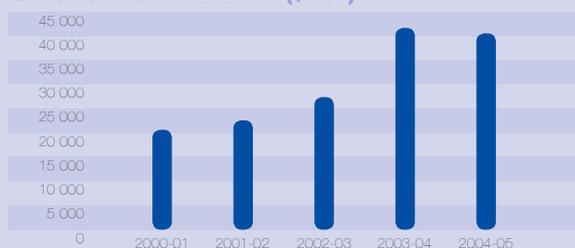


Only South Australians get it.

Launched in 1990, SA Lotto is South Australia's own game offering local players the chance to share in a guaranteed \$400 000 Division One prize pool each Monday and Wednesday night. SA Lotto features a game matrix whereby six numbered balls are drawn from a possible 45 at a subscription of 30 cents per game.

Performance	Solid sales performance.
Highlights	Regular jackpot cycles. Promotional activity including the 'Five for Free' and special '\$1 million Division One' offer.
Outlook	Strategic review of game options in 2005-06.
Gross sales 2004-05	\$40.7 million
Variance from 2003-04	\$1 million or 2.5% decrease
Average weekly entries	136 332
Value of prizes won in SA	\$21.3 million
Division One prize winners in SA	11
Total number of winners in SA	601 208

Gross sales 2001-2005 (\$'000)

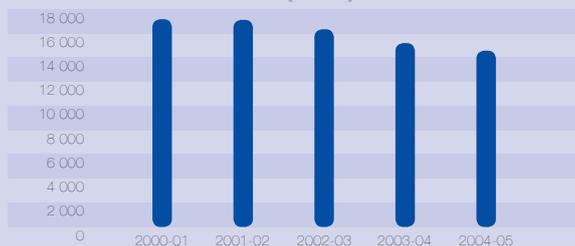


Got your winning numbers?

Oz Lotto is a national game played on a Tuesday night. The jackpotting game features a game matrix whereby six numbered balls are drawn from a possible 45 and, for a subscription of \$1 per game, offers players the chance to share in a minimum Division One prize pool of \$1 million.

Performance	Declining sales performance due to a reduced number of jackpots and lower sales per jackpot level.
Highlights	Included in the 'Five for free' portfolio-wide promotion.
Outlook	Implementation of a national game initiative in 2005-06 to generate new interest in the game.
Gross sales 2004-05	\$14.6 million
Variance from 2003-04	\$0.8 million or 5.3% decrease
Average weekly entries	33 932
Value of prizes won in SA	\$6.8 million
Division One prize winners in SA	2
Total number of winners in SA	64 601

Gross sales 2001-2005 (\$'000)



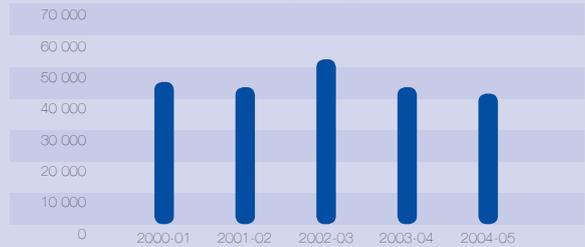


Life's different when you've won.

Powerball is Australia's biggest jackpotting game played each Thursday night. With a subscription of 55 cents per game, Powerball offers players the chance to share in multi-million dollar Division One prize pools. Powerball features two draw barrels each containing 45 numbered balls. Players must match five numbers drawn from the first barrel and the Powerball drawn from the second barrel to win a Division One prize.

Performance	Reduced jackpot frequency, especially the lack of a \$30 million jackpot, precluded Powerball from achieving past sales levels during the year.
Highlights	Successful implementation of a five cent subscription increase and an enhanced jackpot sequence effective from 3 February 2005. Launch of a new Powerball advertising campaign. A Powerball 'Twice as Lucky' Promotion in conjunction with the Easiplay Club and a Powerball/Keno cross promotion.
Outlook	Continued marketing and advertising support of jackpots.
Gross sales 2004-05	\$42.2 million
Variance from 2003-04	\$2.5 million or 5.6% decrease
Average weekly entries	115 571
Value of prizes won in SA	\$20.6 million
Division One prize winners in SA	2
Total number of winners in SA	618 115

Gross sales 2001-2005 (\$'000)



It happens.

Since 1978, Instant Scratchies have provided South Australians with the opportunity to scratch an instant prize. \$1, \$2, \$3, \$4 and \$5 tickets are offered featuring constantly renewed designs and individual prize pools.

Performance	Sales increased, reversing the decline of the previous year.										
Highlights	Scratch, Match & Drive promotion held between May and June 2005. Revised play styles for \$1 and \$2 tickets. Gift giving campaigns for Mother's Day, Father's Day and Christmas. Launch of SA Lotteries first high profile licensed game, 'Star Wars'.										
Outlook	Production of a new Instant Scratchies branding campaign and refreshed promotional initiatives.										
Gross sales 2004-05	\$40.3 million										
Variance from 2003-04	\$0.5 million or 1.3% increase										
Average weekly entries	407 894										
Value of prizes paid in SA	\$24.2 million										
Top prize winners in SA	<table border="0"> <tr> <td>\$25 000</td> <td>6</td> </tr> <tr> <td>\$100 000</td> <td>5</td> </tr> <tr> <td>\$150 000</td> <td>7</td> </tr> <tr> <td>\$175 000</td> <td>1</td> </tr> <tr> <td>\$250 000</td> <td>1</td> </tr> </table>	\$25 000	6	\$100 000	5	\$150 000	7	\$175 000	1	\$250 000	1
\$25 000	6										
\$100 000	5										
\$150 000	7										
\$175 000	1										
\$250 000	1										
Total number of winners in SA	4 973 815										

Gross sales 2001-2005 (\$'000)





Win it by the minute.

Since 1990 Keno has offered players the chance to try their luck with \$1 every few minutes. Players can elect to play spots 1 to 10 and match their selections accordingly with 20 numbers randomly drawn from a possible 80.

Performance Strong sales growth.

Highlights Successful promotion linking Keno and Powerball.
Implementation of instant messages to promote winners on Keno monitors across the network.
Inclusion of the Gamble Responsibly message on all Keno monitors.
Reduced size of Keno monitors to support SA Lotteries' responsible gambling commitment.

Outlook A launch in 2005-06 of a new advertising campaign and tailored graphics to promote all SA Lotteries' games via the Keno monitors.

Gross sales 2004-05 \$73.8 million

Variance from 2003-04 \$3.4 million or 4.8% increase

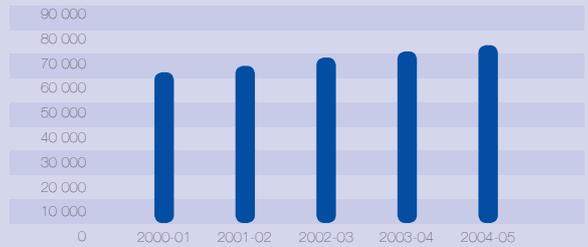
Average weekly entries 217 488

Value of prizes won in SA \$54.1 million

Top prize winners in SA
Spot 10 winners 0
Spot 9 winners 0
Spot 8 winners 17

Total number of winners in SA 8 120 010

Gross sales 2001-2005 (\$'000)



Simply Super.

Super 66 is a national game in which players select a six-digit number combination in the range of 000000 to 999999. To win, players match their selected numbers with the six numbers drawn, in the order that they are drawn, each Saturday night.

Performance Participation continued to decline.

Highlights Included in the 'Five for free' promotion.

Outlook Continued monitoring of the game's profitability and viability.

Gross sales 2004-05 \$1.3 million

Variance from 2003-04 \$0.1 million or 9.9% decrease

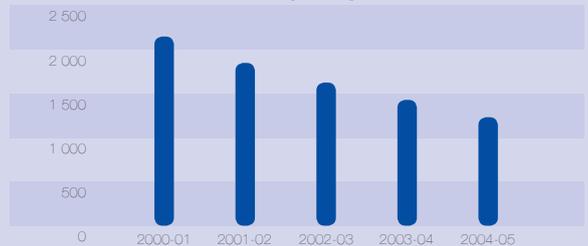
Average weekly entries 14 176

Value of prizes won in SA \$0.8 million

Division One prize winners in SA 2

Total number of winners in SA 24 865

Gross sales 2001-2005 (\$'000)



Play. Score. Win.

The Pools is a weekly drawn game of chance whereby the winning numbers are based on the results of the United Kingdom or Australian soccer matches.

Performance Stable performance.

Highlights Jackpotted to over \$1.3 million in March 2005, the highest jackpot level in over two years.

Outlook Review of the game format.

Gross sales 2004-05 \$0.6 million

Variance from 2003-04 \$0.04 or 5.8% decrease

Average weekly entries 2 911

Value of prizes won in SA \$0.1 million

Division One prize winners in SA 1

Total number of winners in SA 7 122

Gross sales 2001-2005 (\$'000)





The dedication and focus of SA Lotteries' **management and staff** ensures that our objectives continue to be met in a corporately responsible manner for the benefit of the broad South Australian community.

Our corporate scorecard

Corporate Objective	Strategy	Performance Indicator	Actual 2003-04	Target 2004-05	Actual 2004-05
Generate maximum returns to the shareholder.	<ul style="list-style-type: none"> ■ Revenue Growth ■ Increase Productivity 	■ Gross sales	\$345.1 million	\$350.0 million	\$348.8 million
		■ Return to Government (excluding unclaimed prizes)	\$ 81.6 million	\$ 85.3 million	\$ 89.1 million
		■ Operating expenses as a % of gross sales	7.2%	7.9%	7.4%
Sustain a corporate culture that is socially, financially, economically and environmentally responsible.	<ul style="list-style-type: none"> ■ Provide a responsible gambling environment ■ Ensure efficiency in operations ■ Improve energy efficiency to reduce greenhouse gases 	■ Agencies undertaking responsible gambling training	100%	9.5%	24.3%
		■ Cents spent to generate one sales dollar	10.8 cents	7.9 cents	7.4 cents
		■ Greenhouse gas emissions	1118 tonnes CO2	1103 tonnes CO2	1130 tonnes CO2
Provide high standards of quality, service and value for customers.	<ul style="list-style-type: none"> ■ Return to player ■ Provide a high standard of customer service ■ Strengthen Easiplay Club membership base 	■ Prizes as a % of sales	60.2%	59.1%	59.4%
		■ Response time to customer complaints	2.9 days	4.0 days	3.6 days
		■ Number of active Easiplay Club members	188 261	193 000	194 003
Provide innovative and entertaining games.	<ul style="list-style-type: none"> ■ Increase sales within South Australian adult [18+] population 	■ Sales per capita per annum	\$291.70	\$295.90	\$291.68
Provide high level support to our distribution network.	<ul style="list-style-type: none"> ■ Maintain mutually beneficial agent relationships 	■ Agents visited by SA Lotteries representatives at least once per quarter	100%	100%	100%
Employ the best people and maximise their potential.	<ul style="list-style-type: none"> ■ Maximise employee effectiveness 	■ Sales per full-time equivalent employee	\$ 4.5 million	\$ 4.2 million	\$ 4.5 million
		■ Cost per full-time equivalent employee	\$483 200	\$331 200	\$334 900
Ensure mutually beneficial relationships with suppliers.	<ul style="list-style-type: none"> ■ Best practice management 	■ Compliance with Small Business Charter	100%	100%	100%
		■ Accounts paid by due date	100%	100%	100%
Pursue and utilise the most effective technology.	<ul style="list-style-type: none"> ■ Ensure optimal systems performance 	■ Online system operational time	100%	100%	99.98%
		■ Terminal reliability (Mean Transactions Between Failure)	227 616	150 000	228 515

Our ten year financial summary from 1996 to 2005

Year ended June 30	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000	1999 \$'000	1998 \$'000	1997 \$'000	1996 \$'000
Gross sales										
Lotto	135,176	130,825	129,603	123,632	123,023	120,304	115,074	113,220	107,314	116,181
SA Lotto*	40,670	41,706	28,931	23,380	21,468	21,292	18,756	17,635	16,472	15,143
Oz Lotto	14,641	15,467	16,575	17,127	17,133	16,662	16,977	19,590	15,027	15,124
Powerball*	42,248	44,760	51,379	44,526	46,438	34,288	35,200	27,223	25,228	2,884
Thursday Lotto*	-	-	-	-	-	-	-	-	-	19,972
Keno	73,821	70,425	67,155	64,838	61,689	68,620	69,308	71,818	71,961	70,431
Instant Scratchies	40,343	39,812	39,864	37,920	37,099	30,866	28,860	25,833	25,359	26,298
The Pools	586	622	742	605	716	607	609	566	570	787
Super 66	1,333	1,479	1,662	1,828	2,027	2,379	2,677	2,739	2,718	3,601
Total gross sales	348,818	345,096	335,911	313,856	309,593	295,018	287,461	278,624	264,649	270,421
Cost of sales										
Agents' commission	25,795	25,443	24,694	23,100	22,707	21,853	20,692	20,104	19,192	19,787
Prizes	207,172	207,886	202,336	187,217	180,604	174,519	173,982	169,695	162,978	164,631
% of gross sales	59.4%	60.2%	60.2%	59.7%	58.3%	59.2%	60.5%	60.9%	61.6%	60.9%
Gambling Tax#	58,412	56,256	54,766	51,922	51,480	-	-	-	-	-
% of gross sales	16.7%	16.3%	16.3%	16.5%	16.6%	N.A.	N.A.	N.A.	N.A.	N.A.
GST#	12,877	12,474	12,143	11,513	11,415	-	-	-	-	-
% of gross sales	3.7%	3.6%	3.6%	3.7%	3.7%	N.A.	N.A.	N.A.	N.A.	N.A.
Total cost of sales	304,256	302,059	293,939	273,752	266,206	196,372	194,674	189,799	182,170	184,418
Gross margin	44,562	43,037	41,972	40,104	43,387	98,646	92,787	88,825	82,479	86,003
Other revenue	7,294	6,944	6,878	6,204	7,171	6,520	5,117	5,319	5,171	5,583
Total revenue	51,856	49,981	48,850	46,308	50,558	105,166	97,904	94,144	87,650	91,586
Operating Expenses[^]	25,859	24,926	24,421	22,756	20,856	20,297	17,151	16,435	15,453	17,062
% of gross sales	7.4%	7.2%	7.3%	7.3%	6.7%	6.9%	6.0%	5.9%	5.8%	6.3%
Operating profit before income tax equivalent	25,997	25,055	24,429	23,552	29,702	84,869	80,753	77,709	72,197	74,524
% of gross sales	7.5%	7.3%	7.3%	7.5%	9.6%	28.8%	28.1%	27.9%	27.3%	27.6%
Return to Government										
Gambling Tax	58,412	56,256	54,766	51,922	51,480	-	-	-	-	-
Income Tax Equivalent	7,799	7,516	7,542	7,066	10,099	31,336	31,375	28,589	26,431	27,278
Dividend##	22,906	17,869	17,673	15,369	15,689	53,128	50,028	48,088	44,172	45,595
Unclaimed Prizes	1,839	1,639	1,551	1,656	1,515	1,535	1,279	1,301	1,572	1,721
	90,956	83,280	81,532	76,013	78,783	85,999	82,682	77,978	72,175	74,594
% of gross sales	26.1%	24.1%	24.3%	24.2%	25.4%	29.2%	28.8%	28.0%	27.3%	27.6%

* SA Lotto twice weekly draws on Monday/Wednesday commenced November 2003.

* Powerball commenced May 1996.

* Thursday Lotto ceased May 1996.

State Gambling Tax and GST were introduced on 1 July 2000 and are levied on Net Gambling Revenue (NGR= Gross sales less monetary prizes payable).

State Gambling Tax at the rate of 41% of NGR is paid to the Hospitals Fund/Recreation and Sport Fund and the GST at the rate of 9.09% of NGR is paid to the Australian Taxation Office.

Income Tax Equivalent included Sales Tax Equivalent for the period 1996 to 2000.

[^] GST is now included in cost of sales (since 2001 previously included in operating expenses).

Includes Special Dividend of \$6,526,000 in 2005 resulting from proceeds on sale of Rundle Mall premises.

The difference is, we're committed to winning

SA Lotteries is a Statutory Authority established under the State Lotteries Act.

Corporate governance is the process by which SA Lotteries is governed and managed.

This statement outlines the main corporate governance practices that were in place throughout the financial year ended 30 June 2005.

Responsible for the governance of SA Lotteries, the Commission's established processes provide strategic guidance for management towards achievement of corporate objectives.

In conjunction with the management team, the Commission strives to achieve best practice in meeting these objectives.

The role of the shareholder

For the period 1 July 2004 to 30 June 2005 the Honourable Kevin Foley MP was the appointed Minister responsible for SA Lotteries as Treasurer. The Treasurer is Deputy Premier and his other portfolios are Minister Assisting the Premier in Economic Development, Minister for Police and Minister for Federal/State Relations.

The Commission aims to ensure that the shareholder, the Government of South Australia, is informed of all major developments affecting the Commission's state of affairs via:

- Presentation of written reports to, and meetings with, the Treasurer.
- Submission of the Commission's annual operating and capital budgets to the Treasurer for approval.
- Attendance by a Government observer at Commission and Audit Committee meetings.
- Distribution of the annual report to the shareholder.
- Presentation of the Auditor-General's annual report to Parliament, which includes summaries of SA Lotteries' activities.

The Commission complies with all formal directions issued by the Minister.

Composition of the Commission

In accordance with the State Lotteries Act, the Commission shall consist of not less than three nor more than five members appointed by the Governor of South Australia, of whom one shall be nominated by the Governor as the Presiding Member of the Commission. The Presiding Member of the Commission is a non-executive member. The Commission comprises non-executive members.

The appointment letter covers the term of the appointment. A member shall be appointed for a term of office not exceeding five years determined by the Governor. On the expiration of the term of office as a member, a member shall be eligible for re-appointment.

The Commission membership as at 30 June 2005 comprised:

Name	Position	Expertise
Mr H J Ohff, FIEAust, CPEng, BA (Hons)	Presiding Member	Engineering
Mr D P LeMessurier, Ass Dip (Man), SIA (aff), FAICD, MSDIA, MBA	Member	Stockbroking
Ms S J Mackenzie, B Comm (Accounting), LLB (Hons)	Member	Law
Ms C M Crago, Ass Dip (Bus), BBus (Mktg)	Member	Marketing
Mr S K Shirley, BEc, FCA, CPA, FTIA	Member	Accounting

Effective from 1 September 2004, Her Excellency the Governor in Executive Council re-appointed Ms Chris Crago and Mr Stephen Shirley as Commission Members.

The Governor may, by notice in writing served on a member, suspend the member from office for any period not exceeding the balance of the term of office, or remove the member from office, on grounds of misconduct or incapacity to perform the duties or functions as a member.

Commission meetings

The Commission meets monthly. Details of the number of meetings during the year and attendance by each member, and each committee member, are contained within the table 'Attendance at meetings'.

Commission fees

Remuneration for a member is \$18 700 per annum, plus an attraction and retention allowance of \$2 200 per annum. The Presiding Member receives \$27 200 per annum, plus an attraction and retention allowance of \$2 200 per annum.

Further details of members' remuneration payments are set out in Note 9 to the Financial Statements.

Commission committees

To assist in the delivery of its responsibilities the Commission has established an Audit Committee and a Superannuation Policy Committee.

Audit Committee

The role of the Audit Committee is to assist the Commission in fulfilling its responsibilities in relation to identification of areas of significant business risks by:

- Advising on the establishment and maintenance of a framework for internal control for the management of SA Lotteries.
- Monitoring the quality and reliability of financial information prepared for use by the Commission in determining policies or for inclusion in financial statements.

The Audit Committee has a formal charter incorporating its broad functions as follows:

- Reviewing the General Purpose Financial Report prior to its approval by the Commission to ensure that the report presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Lotteries Commission of South Australia as at 30 June, its financial performance and cash flows for the year then ended; and ensuring that internal controls over financial reporting have been effective throughout the reporting period.
- Liaising with the Commission's external auditors, the Auditor-General's Department, on all matters concerning the outcome of annual audits of the Lotteries Commission of South Australia.
- Regular reviewing of the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the Lotteries Commission of South Australia or any other matter the Commission and/or Audit Committee request.

The internal and external auditors are invited to Audit Committee meetings at the discretion of the Committee. KPMG were the appointed internal auditors for the 2004-05 financial year. The Auditor-General's Department is SA Lotteries' external auditor.

In accordance with its charter the members of the Audit Committee are non-executive. During the year membership comprised:

- Chair:** Mr Stephen Shirley
- Member:** Mr Peter LeMessurier
- Member:** Ms Chris Crago

Superannuation Policy Committee

Membership of the Superannuation Policy Committee comprises four members: two employer-appointed and two member-elected representatives. During the 2004-05 financial year membership comprised:

Employer-appointed: From 1 July 2004 to 30 June 2005:

- Chair:** Ms Suzanne Mackenzie

Employer-appointed: From 1 July 2004 to 22 October 2004:

- Member:** Ms June Roache

Employer-appointed: From 22 October 2004 to 30 June 2005:

- Member:** Ms Bev Rohrlach

Member-elected: From 1 July 2004 to 30 June 2005:

- Member:** Mr Paul Wright
- Member:** Mr John Favretto

Attendance at meetings

Commission members	Commission meetings (13 held)	Audit committee meetings (6 held)	Superannuation policy committee meetings (2 held)
Mr Hans Ohff	13	#	#
Mr Peter LeMessurier	11	5	#
Ms Suzanne Mackenzie	13	#	2
Ms Chris Crago	11	4	#
Mr Stephen Shirley	13	6	#

Not a member.

Commission relationship with management

The Chief Executive is accountable to the Commission for the achievement of SA Lotteries' corporate objectives.

In accordance with the State Lotteries Act, the Commission may delegate to any officer of the Commission any of the powers, duties, functions and authorities of the Commission. To this end, the Commission clearly defines management's responsibilities and accountabilities through approved management operating authorities.

Commission members are involved in the evaluation process for all tenders greater than \$1 100 000.

Internal control framework

The Commission acknowledges that it is responsible for the internal control framework, but recognises that a cost-effective internal control system will not preclude all errors and irregularities. To assist, the Commission has instigated an internal control framework that can be described under five headings:

Financial reporting – There is a comprehensive budgeting system with an annual budget approved by the Commission prior to submission to the Treasurer. Monthly actual results are reported against budget and forecasts for the year are prepared regularly.

Quality and integrity of personnel – The Commission follows guidelines for ethical conduct that define principles and standards with which all officers and employees are expected to comply in the performance of their respective functions.

A key element is the requirement that officers and employees are expected to act in accordance with the law and with the highest standards of propriety.

Operating division controls – Financial controls and procedures, including information systems controls are in place. A Commission questionnaire confirms compliance with these procedures to ensure sound principles of corporate governance and accountability.

Functional specialty reporting – The Commission has identified corporate key performance indicators, which are subject to regular reporting.

Capital investment appraisal – The Commission has clearly defined guidelines for capital expenditure. These include levels of authority, annual budgets, detailed cost-benefit analysis and post-implementation reviews for large expenditure items.

SA Lotteries' internal auditor is appointed by the Commission to test compliance with these internal controls. The findings and recommendations of the internal auditors, coupled with direction and regulation by the Audit Committee, have ensured the maintenance and ongoing refinement of an efficient internal control framework.

Ethical standards

SA Lotteries requires a high standard of ethics, with its core values as the basis for this standard.

SA Lotteries requires a **high standard of ethics** with its **core values** as the basis for this standard.

The Commission follows the principles of the Ethical Conduct Guidelines for the South Australian Public Service, with the expectation that management and staff will act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Commission. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

SA Lotteries also adheres to the Code of Conduct for South Australian Public Sector Employees, issued by the Commissioner for Public Employment.

Benefiting our stakeholders That's the difference

Our achievement – We have generated maximum returns for our shareholder and sustained a corporate culture that is socially, financially, economically and environmentally responsible for the benefit of all South Australians.

We take pride in generating maximum returns for our shareholder through our contribution to the State Hospitals Fund and the Recreation and Sport Fund. We take pleasure in reinforcing this commitment to all things South Australian through our everyday interaction with agents, customers and the community broadly and through sponsorship of local events and initiatives.

We have
**generated
maximum
returns** to our
shareholder
and **sustained
a corporate
culture.**

Corporate responsibility is pivotal to SA Lotteries and we ensure that this is inherent in all of our activities – most especially ensuring that our organisational culture embraces social, financial, economic and environmental responsibility.

In 2004-05 we have:

- Generated returns of \$89.0 million to the State Hospitals Fund and \$0.2 million to the Recreation and Sport Fund.
- Distributed \$25.8 million in agent commission to our state-wide network.
- Returned \$207.2 million to South Australian players who claimed prizes in SA Lotteries' games.
- Ensured compliance with the State Lotteries Responsible Gambling and

Advertising Codes of Practice, particularly at the agency level through an ongoing audit program.

- Constantly reinforced our commitment to the sale of lotteries products in a responsible gambling aware environment through agent training and regular communications.
- Provided specific training for the younger members of staff within our small business agencies to ensure that employment opportunities are maintained for South Australian youth while heightening their awareness of their responsible gambling responsibilities.
- Provided sponsorship for:
 - the 2005 Jacob's Creek Tour Down Under.
 - the Australian Dance Theatre.
 - the State Theatre Company of South Australia.
 - the Australian Hotels Association (SA).
 - Clubs SA.
 - the Newsagency Council of SA Inc.
 - local charities and community groups via supporters packs.



Our support of
South Australia's
**performing
arts** and
sponsorship of
**community
events** ensures
that it's not just the
winners who win with
SA Lotteries.

- Complied with our requirements under the *Freedom of Information Act 1991*. There were no formal requests for information throughout the year.

We demonstrated our **commitment** to the State Government Energy Efficiency Action Plan achieving a **reduction in energy use.**

- Managed our risks in relation to the protection of SA Lotteries' employees, assets, earnings, liabilities and the public in their dealings with us and incorporated comprehensive risk evaluation procedures into all corporate projects undertaken throughout the year thereby ensuring the assessment of risks as part of all strategic and ongoing planning and decision making.
- Minimised SA Lotteries' exposure to fraud by identifying potential risk areas in accordance with a Fraud Control Policy. No instances of fraud were detected during the year.
- Maintained certification to the Quality Standard AS/NSZ ISO 9001:2000 via an effective Quality Management System, ensuring a focus on continuous improvement.
- Continued our compliance with the requirements of Information Security

Standard ISO/IEC 17799:2000 and AS/NZS 779:2000, verified via independent biannual audits.

- Reviewed, updated and tested our Crisis Plan ensuring that our activities and staff are increasingly prepared to manage the unexpected.
- Demonstrated our commitment to the State Government Energy Efficiency Action Plan achieving a reduction in energy use compared to the previous year.
- Achieved an overall decrease of 4.38% in Greenhouse Gas Emissions over the 2000-01 base year, primarily through the relocation of SA Lotteries' Head Office premises which incorporated energy efficient plant and equipment within the fitout. The reduction is in accordance with South Australia's Strategic Plan to reduce energy consumption in Government buildings by 25% within 10 years and achieve the Kyoto target during the first commitment period (2008-12) in relation to Greenhouse emissions.
- Progressively replaced larger Keno monitors across the network with smaller more environmentally responsible and socially appropriate LCD monitors.
- Linked SA Lotteries' strategic initiatives with South Australia's Strategic Plan objectives.
- Liaised with the Office of Consumer and Business Affairs in alerting the public to the risks of participating in the increasing number of 'scam' emails, particularly via the Internet.

Performance against annual energy use targets

Period	Energy use (Gjs)	Expenditure (\$)	Greenhouse Gas Emissions (kg)
2000-01 (base year)	3 834	116 165	1 181 764
2001-02	3 961	133 903	1 220 894
2002-03	3 897	135 009	1 201 064
2003-04	3 861	137 124	1 117 889
2004-05	3 814	147 033	1 129 975
Target 2004-05*	3 578	N/A*	1 102 980
Interim Target 2009-10	3 258	N/A*	1 004 499
Final Target 2013-14	2 876	N/A*	886 323

*Financial targets are not set, as energy prices are subject to market fluctuations.

We make a big difference to people's lives

Our achievement – We have provided high standards of quality, service and value for our customers.

SA Lotteries' core values underpin our commitment to delivering the highest standards of quality, service and value to our customers, ensuring their every interaction with SA Lotteries is positive.

The seven online games which we offer, together with the variety of Instant Scratchies tickets, ensures that the 74% of South Australians who play our games throughout the year enjoy the benefits of a consistent portfolio as well as the excitement of vibrant new tickets when they visit their local agency.

In 2004-05 we have:

- Processed 63.6 million transactions in SA Lotteries' games, giving South Australian players the opportunity to readily enter state-based and national prize pools.
- Delivered a reliable service to customers through 99.98% availability of our online system at our agencies across the State.
- Exceeded our key performance indicator for customer service with an average response time of 3.59 days to complaints or enquiries against a target of four days.
- Provided for the automatic payment of 167 668 prizes worth \$6.9 million to Easiplay Club members.
- Delighted 23 Easiplay Club members with the 'phone call of a lifetime' to inform them of their Division One prize win.
- Increased our Easiplay Club membership base by 5742 to 194 003 members thereby further reducing unclaimed prizes.

We exceeded our key performance indicator for **customer service** with an average response time of **3.59 days** to complaints or enquiries **against a target of 4 days.**

- Continued to provide the facility for Easiplay Club members to store their regular numbers on their Easiplay Club card making it easier for them to play SA Lotteries' games.
- Delayed the close-off time for our record \$31 million New Year's Eve Lotto draw to give players the optimum chance to enter.
- Introduced a jackpot advice email service for customers and trialled a SMS results service.
- Implemented an ongoing monthly promotion whereby Easiplay Customers can win a bonus \$10 000 by registering their Maxi-Pick entry on their Easiplay Club card thereby encouraging members to use their card when making lotteries purchases.
- Ensured that the responsible gambling message is conveyed in all of our advertising to encourage customers to carefully consider their decision to participate.
- Undertaken a comprehensive communications program to inform customers of the Head Office relocation to ensure that inconvenience, particularly to prize winners, was minimised.
- Established two additional agencies in the Rundle Mall precinct to ensure that customers' needs continued to be met following the relocation of SA Lotteries' Head Office.
- Provided an increased range of corporate and game-related information and results to better service the 786 345 hits to our website and the 409 854 calls to our telephone results line during the year.

Service is our real point of difference

Our achievement – We have provided a high level of service to our distribution network.

SA Lotteries' agents are our interface with our customers and with the community of South Australia. We take an active interest in our agents' business activities, their customer service and their commitment to SA Lotteries' responsible gambling charter.

Under an agent arrangement, SA Lotteries ensures that members of the state-wide network are enabled by effective technical equipment and have the skills, knowledge and the business support to be the ultimate facilitators of and ambassadors for our business.

In 2004-05 we have:

- Managed the relationship with the 531 members of our agent network for mutual benefit.
- Provided 99.98% reliability of our online lotteries system to our agent network reflecting down time of only 100 minutes (31 minutes for the central system and 69 minutes of the agent communications network) through the year.
- Supported our agents with effective equipment at the point of sale with terminals reflecting an average of 228 515 transactions between failures.
- Delivered emergency assistance in the event of terminal breakdowns with an average technician response and repair time of 43 minutes for metropolitan agents.
- Continued to provide comprehensive in-house training for new agents in agency and terminal operations as well as accredited responsible gambling training through Wesley 4 Training in accordance with the State Lotteries Responsible Gambling Code of Practice.
- Designed and implemented a training program specifically for agency staff who are aged below 18 years ensuring that employment opportunities for South Australian youth are maximised and the individuals are appropriately prepared for their role in a responsible gambling environment.
- Evaluated the performance of our network and rewarded excellence in agency operations via the annual Agency Excellence Awards program which embraces sales rankings, audit results and compliance with the Codes of Practice.
- Congratulated the Lotteries Kiosk (Westfield Arndale) on being judged the 2003-04 SA Lotteries Agent of the Year at a gala presentation evening held in August 2004.
- Heightened our corporate image through the implementation of the approved agency fit-out at a further 78 agencies, with a total of 388 (73%) of the network now displaying this modern look.
- Maintained our relationship with the key industry bodies representing the members of our agency network including the Newsagency Council of SA Inc, State Retailers Association of SA Inc, Australian Hotels Association (SA) and Pharmacy Guild of Australia (SA).
- Complied with the requirements of the Franchising Code of Conduct as it applies to SA Lotteries and the interaction with agents, and potential agents.
- Provided our agents with faster delivery of their monthly statements through the implementation of a faxstream service.
- Managed our business practices and tailored our support in a way that respects the diversity of the businesses that comprise our agent network.

Distribution of agents by business type as at 30 June 2005

Business type	Number of metro agents	% of metro agents	% of country agents	% of country agents	Total	% of gross sales
Newsagents	117	32	67	42	184	51.7
Kiosks	11	3	1	1	12	7.7
Delicatessens	40	11	9	5	49	10.4
Chemists	27	7	4	2	31	6.8
Supermarkets	25	7	7	4	32	4.5
Service Stations	6	2	0	0	6	0.5
Hotels	113	31	53	32	166	13.4
Clubs	20	5	11	7	31	1.5
Others*	8	2	12	7	20	3.5
Total	367	100	164	100	531	100

*Includes SA Lotteries Head Office and SKYCITY Adelaide Casino.



As the face of
SA Lotteries,
our **agents**
support our
commitment to
social responsibility
as we support their
small business
success.



SA Lotteries'
partnership
with **local
suppliers**
maximises our
returns to the
South Australian
community.

The real difference is the people who support us

Our achievement – We have ensured mutually beneficial relationships with our suppliers.

As a major South Australian organisation, SA Lotteries is committed to maintaining a positive relationship with the many suppliers who are our partners in business success.

We particularly respect the needs of our many small-business suppliers recognising the important contribution that SA Lotteries makes to their livelihood and in turn to the South Australian business climate and economy.

In 2004-05 we have:

- Selected suppliers fairly, based on experience and ability to provide a high standard of service.
- Developed and maintained associations with small business suppliers in accordance with the provisions of our Small Business Charter.
- Demonstrated our commitment to openness and accountability in posting details of relevant contracts on the State Government Tenders and Contracts website.
- Embraced a 'buy local' philosophy in relation to suppliers where it is beneficial to do so.
- Used across Government contracts where appropriate to achieve value for money outcomes in relation to cost, service and risk management.
- Achieved account payment performance standards, with payment of all undisputed accounts within 30 days or in accordance with agreed terms.
- Engaged consultants where necessary to carry out any tasks requiring specialist skills and knowledge not available within the organisation.

Account payment performance

Particulars	Number of accounts paid	Value of accounts paid	% of accounts paid (by number)	% of account paid (by value)
Paid by due date	2104	\$21.9 million	100.0%	100.0%

Expenditure range	Consultant	Service provided
\$10 000 - \$50 000	Adelaide Research & Innovation Pty Ltd	Modelling and analysis
	Hudson	Staff recruitment
	Talent 2	Staff recruitment
	Speakman TM	Staff recruitment
	MARSH Pty Ltd	Crisis management
	Moore Stephens HF	Product audits
Above \$50 000	KPMG	Internal audits
	Market Equity SA Pty Ltd	Market research

What's the difference?

Our people

Our achievement – We have employed the best possible people and maximised their potential.

SA Lotteries' staff are the key to our business success.

Our people are committed to the highest professional standards and contributing to the achievement of our corporate objectives.

Through their interactions with our customers, suppliers, agents and the community broadly they underpin the high regard with which SA Lotteries is considered at the local, national and international level. In recognising that their efforts enable SA Lotteries to continue to enhance its returns to the broad South Australian community, our staff take pride in being a member of our dedicated team.

In return, SA Lotteries has a commitment to providing a safe, modern and rewarding working environment and conditions for our valued people and to supporting them in their continuing professional development.

In 2004-05 we have:

- Managed and coordinated training and development programs in accordance with our business objectives and performance management framework, committing 2.2% of total remuneration costs to training expenditure during the year, an increase on our previous year's commitment.
- Sustained our commitment to continuous improvement through a three-phase performance management system. Individual performance plans are documented for 65% of employees and discussions are conducted with all staff to facilitate two-way feedback and maximise performance and job satisfaction.
- Maintained our commitment to Equal Employment Opportunity principles and promoted awareness. There were no breaches of the SA Lotteries' Equal Employment Opportunity Policy recorded during the year.
- Awarded an administrative salary increase of 3.5%, effective 5 February 2005.
- Reduced the level of overtime paid to staff through effective management practices that have also enabled us to evidence a decrease in the number of average sick and family leave days taken by employees.
- Encouraged employees to take full advantage of their annual leave allocation as it comes due and use their long service leave entitlements.
- Revised all occupational health and safety policies, guidelines and procedures; conducted an annual occupational health and safety inspection of premises; provided first-aid training to relevant employees; and convened quarterly occupational health and safety committee meetings.
- Invested in the health and well-being of our staff by subsidising flu vaccinations for the first time.
- Demonstrated our commitment to the elimination of disability discrimination via our Disability Discrimination Action Plan developed in accordance with State Government policy.
- Provided in-house sessions to support staff in preparing for and adjusting to the relocation to the new Head Office premises.
- Built on the success of SA Lotteries' relocation to a new open plan work environment by securing team leaders as change sponsors to work with staff in creating and implementing a shared vision for a positive and productive work environment.
- Provided for greater staff efficiency on a day-to-day basis through the installation of high speed LAN and Internet access in the new Wayville Head Office.
- Proactively managed our work practices to provide a safe environment for our people resulting in a reduction to our Workcover levy rate by 0.816% for 2005-06.



**Knowing that
SA Lotteries makes
a difference to the
South Australian
community and our
many stakeholders is
the most satisfying
achievement for
our people.**

COMMUNITY

PLAYERS

AGENCY NETWORK



GOVERNMENT

STATE HOSPITALS FUND & RECREATION AND SPORT FUND

COMMUNITY

Employee numbers, gender and status

Employee numbers		
Persons	80	
Full-time Equivalent (FTE)	77.2	
Gender	% of persons	% of FTEs
Male	50	51.5
Female	50	48.5
Employee Status		
Number of persons separated from SA Lotteries during the 2004-05 financial year.	12	
Number of persons recruited to SA Lotteries during the 2004-05 financial year.	12	
Number of persons on leave without pay at 30 June 2005	-	

Number of executives in current position by gender and classification

Classification	Contract tenured		Contract untenured		Total		
	Male	Female	Male	Female	Male	Female	Total
Level D	-	-	-	1	-	1	1
Level A	-	-	1	1	1	1	2
Total	-	-	1	2	1	2	3

The Chief Executive and Group Managers are employed under contract and do not have the right to be appointed to another position in the public sector at the end of their contract.

Status of employees in current position - full-time equivalent employees

	Ongoing	Short-term contract	Long-term contract	Casual	Total
Female	33.42	2	2	-	37.42
Male	37.80	-	2	-	39.80
Total	71.22	2	4	-	77.22

Status of employees in current position - persons

	Ongoing	Short-term contract	Long-term contract	Casual	Total
Female	36	2	2	-	40
Male	38	-	2	-	40
Total	74	2	4	-	80

Employees by age bracket and gender

Age bracket	Female	Male	Total	% of total	% of SA workforce*
15-19	-	-	-	-	7.4
20-24	1	-	1	1.25	11.3
25-29	6	7	13	16.25	10.0
30-34	6	6	12	15.00	10.7
35-39	7	7	14	17.50	11.1
40-44	5	6	11	13.75	12.2
45-50	4	6	10	12.50	12.3
51-54	4	5	9	11.25	11.3
55-59	5	2	7	8.75	8.1
60-64	2	1	3	3.75	4.0
65+	-	-	-	-	1.6
Total	40	40	80	100.00	100.0

* Benchmark as at February 2005 from ABS Supertable LM8.

Number of employees by salary bracket

Salary bracket	Male	Female	Total
\$0 - \$38 599	5	9	14
\$38 600 - \$49 999	15	17	32
\$50 000 - \$65 999	10	6	16
\$66 000 - \$85 999	8	6	14
\$86 000+	2	2	4
Total	40	40	80

Average days leave taken per full-time equivalent (FTE) employee

Leave type	2004-05	2003-04	2002-03	2001-02
Sick leave taken	5.4	5.7	6.5	8.8
Family carer's leave	0.7	1.0	0.6	0.7
Special leave with pay	0.5	0.3	0.3	0.4

Number of employees using voluntary flexible working arrangements by gender

	Male	Female	Total
Purchased Leave	-	-	-
Flexi-time	-	-	-
Compressed Weeks	-	-	-
Part-time / job share	1	9	10
Working from home	-	1	1
Flexible hours	-	2	2

Number of Aboriginal and/or Torres Strait Islander employees

	Male	Female	Total	% of agency	Strategic benchmark*
Aboriginal/Torres Strait Islander	-	-	-	-	2.0%

* Target from South Australia's Strategic Plan.

Number of employees with ongoing disabilities requiring workplace adaptation

	Male	Female	Total	% of agency
Total	-	-	-	-

Cultural and linguistic diversity

	Male	Female	Total	% of agency	SA community*
Number of employees born overseas	7	7	14	17.5	20.3%
Number of employees who speak language(s) other than English at home	-	2	2	2.50	15.5%

* Benchmarks from ABS Publication Basic Community Profile (SA) Cat No. 2001.0.

Occupational health, safety and injury management

	2004-05	2003-04	2002-03
1. OH&S legislative requirements			
Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	Nil	Nil	Nil
Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	Nil	Nil	Nil
Number of notices served pursuant to OHS&W Act s35, s39 and s40	Nil	Nil	Nil
2. Injury management legislative requirements			
Total number of employees who participated in the rehabilitation program	Nil	Nil	2
Total number of employees rehabilitated and reassigned to alternative duties	Nil	1	Nil
Total number of employees rehabilitated back to their original work	Nil	Nil	1
3. WorkCover action limits			
Number of open claims as at June 30	1	Nil	1
Percentage of workers' compensation expenditure over gross annual remuneration	0.3	0.2	0.3
4. Number of claims			
Number of new workers' compensation claims in the financial year	2	Nil	2
Number of fatalities	Nil	Nil	Nil
Number of lost-time injuries	3	Nil	Nil
Number of medical treatment only	Nil	3	2
Total number of whole working days lost	36	Nil	64
5. Cost of workers' compensation			
Cost of new claims for financial year	\$6 744	Nil	Nil
Cost of all claims excluding lump sum payments	\$24 137	\$11 660	\$17 753
Amount paid for lump sum payments (s42, s43, s44)	Nil	Nil	Nil
Total amount recovered from external sources (s54)	Nil	Nil	Nil
Budget allocation for workers' compensation	\$115 200	\$104 560	\$113 680
6. Trends			
Injury frequency rate for new lost-time injury/disease for each million hours worked	15.09*	Nil	Nil
Most frequent cause (mechanism) of injury	Manual handling	Nil	Nil
Most expensive cause (mechanism) of injury	Manual handling	Nil	Nil

* Reflects two lost-time claims.

Overseas travel by SA Lotteries employees

Destination	Reason for travel	No. of employees	Total cost
Durban, South Africa	2004 World Lottery Association Congress	1	\$10 192
Washington DC, USA	GTECH World Leaders' Forum	1	\$4 053

The difference a year can make

SA Lotteries has taken great pride in managing its operations and delivering its games in a manner that delivers incremental benefits to our staff, our agents, our suppliers, our customers and ultimately for our key stakeholder, the Government of South Australia, and the community of South Australia.

In 2005-06 we will:

- Review our vision, mission and corporate values to ensure that they remain in alignment with the expectations of our host community and our stakeholder.
- Measure our performance based on specific targets which are directly linked to South Australia's Strategic Plan objectives.
- Formally embrace our activities within a corporate responsibility framework that reflects our commitment to the State Lotteries Responsible Gambling and Advertising Codes of Practice, effective corporate governance and world's best practice standards and procedures.
- Actively pursue our goal to be recognised as a fabric brand within South Australia.
- Continue to be innovative in our game offerings to ensure that we provide game structures and prize pools that are attractive to our customers.
- Ensure that all growth initiatives are balanced with our commitment to responsible gambling so that all South Australians enjoy the rewards of our endeavours.
- Manage our relationship with our agents in a manner that respects the links between their business success and ours and supports our mutual commitment to providing lotteries in a responsible gambling aware environment.
- Maintain mutually beneficial relationships with suppliers via transparent and efficient selection and management processes in accordance with State Government policy and corporate policies and procedures.
- Invest in our people, particularly through training and development and effective recruitment strategies that ensure we continue to attract and retain the best people and maximise their potential.
- Plan for the replacement of our online lotteries system in 2008-09.
- Maintain our commitment to quality and information security standards and accreditation.
- Continue our strict compliance program to ensure that SA Lotteries' activities and those of our agents meet the highest professional and corporate standards.
- Continue to progressively upgrade our business systems to provide for more effective information and financial management and audit efficiency.
- Liaise with staff in the development and finalisation of our fifth Enterprise Agreement.

There's a difference in how we manage

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Statement of financial performance for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
REVENUES FROM ORDINARY ACTIVITIES			
Sales revenue	5	348 818	345 096
Less cost of sales	6	304 256	302 059
Trading surplus		44 562	43 037
Interest		2 681	2 463
Other	7	4 613	4 481
Total revenues from ordinary activities		51 856	49 981
EXPENSES FROM ORDINARY ACTIVITIES			
Services and supplies	8	14 663	13 401
Employee expenses	9	6 745	7 635
Depreciation and amortisation	10	3 628	3 463
Interest paid		323	427
Loss on disposal of non-current assets		500	-
Total expenses from ordinary activities		25 859	24 926
OPERATING PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EQUIVALENT			
Income tax equivalent expense relating to ordinary activities	22	25 997 7 799	25 055 7 516
OPERATING PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX EQUIVALENT			
Increase (decrease) in asset revaluation reserve	21 20	18 198 (218)	17 539 1 490
TOTAL CHANGE IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNER		17 980	19 029

The Statement of Financial Performance is to be read in conjunction with the Notes.

Statement of financial position as at 30 June 2005

	Note	2005 \$'000	2004 \$'000
CURRENT ASSETS			
Cash		48 263	45 349
Receivables	13	2 344	2 591
Inventories		473	458
Prepayments		181	178
Total current assets		51 261	48 576
NON-CURRENT ASSETS			
Property, plant and equipment	14	14 258	17 419
Total non-current assets		14 258	17 419
TOTAL ASSETS		65 519	65 995
CURRENT LIABILITIES			
Payables	15	20 062	18 792
Interest bearing liabilities		1 637	1 542
Provision for employee benefits	16	396	283
Other	17	8 886	6 705
Total current liabilities		30 981	27 322
NON-CURRENT LIABILITIES			
Payables	15	103	220
Interest bearing liabilities		2 250	3 887
Provision for employee benefits	16	767	769
Unclaimed prizes reserve	18	5 421	7 061
Total non-current liabilities		8 541	11 937
TOTAL LIABILITIES		39 522	39 259
NET ASSETS		25 997	26 736
EQUITY			
Funds retained for capital purposes	19	636	2 976
Reserves	20	25 361	23 760
Retained operating profit	21	-	-
TOTAL EQUITY		25 997	26 736
Commitments	25		

The Statement of Financial Position is to be read in conjunction with the Notes.

Statement of cash flows for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH INFLOWS			
Receipts from customers		329 203	324 888
Interest received		2 660	2 434
GST receipts on sales		801	422
		<u>332 664</u>	<u>327 744</u>
CASH OUTFLOWS			
Prizes paid		(207 052)	(207 040)
Payments to suppliers and employees (excluding GST)		(21 144)	(20 808)
GST payments to taxation authority		(9 413)	(9 161)
GST payments on purchases		(4 264)	(3 800)
Interest paid		(358)	(449)
		<u>(242 231)</u>	<u>(241 258)</u>
Net cash inflows from operating activities	12 (ii)	90 433	86 486
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH INFLOWS			
Proceeds on disposal of non-current assets		5 631	-
CASH OUTFLOWS			
Payments for property, plant and equipment		(2 441)	(623)
Net cash inflows(outflows) from investing activities		3 190	(623)
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH OUTFLOWS			
Repayment of borrowings		(1 542)	(1 452)
Distribution to the Hospitals Fund and Recreation and Sport Fund			
- gambling tax	22	(57 120)	(56 465)
- dividend	22	(23 097)	(17 667)
- unclaimed prizes	22	(1 676)	(1 734)
Distribution to the Hospitals Fund for income tax equivalent	22	(7 274)	(8 012)
		<u>(90 709)</u>	<u>(85 330)</u>
Net cash outflows from financing activities		(90 709)	(85 330)
Net increase in cash held		2 914	533
Cash at the beginning of the financial year		45 349	44 816
Cash at the end of the financial year	12 (i)	48 263	45 349

The Statement of Cash Flows is to be read in conjunction with the Notes.

Notes to and forming part of the financial statements

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Notes to and forming part of the financial statements continued

1. OBJECTIVES OF SA LOTTERIES

The Lotteries Commission of South Australia (SA Lotteries or the Commission) was established under the *State Lotteries Act 1966* (as amended) to promote and conduct lotteries in South Australia.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the *State Lotteries Act 1966*, and the Lotteries Rules promulgated under the *State Lotteries Act 1966*, in addition to the Treasurer's Instructions issued pursuant to the *Public Finance and Audit Act 1987* and Accounting Policy Statements, the Statements of Accounting Concepts, Australian Accounting Standards and Urgent Issues Group Consensus Views.

The financial statements are based on the historical cost convention and except where stated, have not been adjusted to take account of current valuations or current costs.

(b) Depreciation and amortisation of non-current assets

Property, plant and equipment, excluding freehold land, are depreciated by SA Lotteries on the straight line basis to reflect their decline in service potential over their estimated useful lives.

The depreciation rates used for each class of asset are as follows:

Building	5 per cent.
Plant and equipment	5 per cent, 6.67 per cent, 10 per cent, 20 per cent and 33.3 per cent.
Online lotteries system	12.5 per cent and 20 per cent.

Leasehold Improvements are amortised by SA Lotteries on the straight line basis to reflect their decline in service potential over their estimated useful lives.

The amortisation rates used range from 20 per cent to 100 per cent.

(c) Valuation of non-current assets

All assets acquired, including property, plant and equipment are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Property, plant and equipment are brought to account at fair value.

(i) Fair values for freehold land and buildings were obtained in June 2004.

The valuation of the 24-26 Payneham Road, Stepney property was obtained from Nick Bell B.Bus.Prop. (Val.), AAPI, Certified Practising Valuer of Knight Frank Valuations SA and was determined on an in-use value, assuming a fully tenanted (subject to a notional five-plus-five year lease back) basis.

The valuation of the 21-23 Rundle Mall, Adelaide property was obtained from James Pledge B.Bus.Prop., AAPI, Certified Practising Valuer of Knight Frank Valuations SA and was determined on an in-use value, assuming a fully tenanted (subject to a notional five-plus-five year lease back) basis.

(ii) Fair value for the online lotteries system was obtained in June 2005 from Andrew Lucas, MBA, BappSc (Val), AAPI, ASA, Certified Practising Valuer of Valcorp Australia Pty Ltd and represents the market value of items in this group of assets.

(iii) Other plant and equipment and leasehold improvements are carried at a written down historical cost value.

(d) Recognition of income

Sales for Lotto, SA Lotto, Oz Lotto, Powerball, Super 66, Keno and The Pools are recognised as at the date of the draw or competition. Sales for Instant Scratchies are recognised daily. Lotto, SA Lotto, Oz Lotto, Powerball, Super 66 and The Pools sales as at 30 June for draws or competitions subsequent to that date are treated as sales in advance.

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

The gross proceeds of non-current assets sales are recognised in revenue at the date control passes to the buyer.

(e) Inventories

Inventories include Instant Scratchies tickets, online coupons, ticket rolls and ribbons and are carried at actual cost.

Notes to and forming part of the financial statements continued

(f) Employee benefits

Provision has been made in the financial statements for SA Lotteries' liability for employee benefits arising from services rendered by employees to balance date, in accordance with Accounting Policy Statement No. 9 'Employee Benefits'. Related on-costs consequential to the employment of employees have been included in payables in the determination of the liability.

(i) Superannuation

SA Lotteries contributes to externally managed superannuation funds. Contributions are charged as an expense in the period in which they occur (refer note 26).

(ii) Annual leave

Provision has been made for the unused component of annual leave at balance date. The provision has been determined by estimating the amount expected to be paid at the time the liability is settled.

(iii) Long service leave

Provision has been made for employee benefits for long service leave. An estimate of the present value of future cash outflows for all eligible employees has been made using a benchmark of seven years' service as a method of estimating long service leave liability. Provision for employees with service benefits expected to be settled within the next 12 months is accounted for as a current liability with the balance of the provision accounted for as a non-current liability.

(iv) Sick leave

No provision has been made in respect of sick leave which is non-vesting. As sick leave taken by employees is considered to be taken from the current year's accrual, no liability is recognised.

(v) Workers' compensation

A workers' compensation levy rate of 2.014 per cent (2003-2004, 1.968 per cent) is paid to WorkCover Corporation to cover any claims.

(g) Building maintenance reserve

This reserve was established to meet future major building maintenance costs.

(h) Capital asset reserve

This reserve was established to contribute to the financing of the cost of replacement/upgrade of the online lotteries system hardware and software, and the purchase of other non-current assets.

(i) Keno prize reserve

This reserve was established to meet all Keno Spot 10 Keno prizes. The value of the Keno Spot 10 prize won is to be returned to the Hospitals Fund as a Dividend.

The reserve is funded from retained earnings at the rate of 23.32 per cent of all Keno Spot 10 net sales through SA Lotteries' Agents and ACTTAB.

(j) Receivables

Debtors

Debtor agents and sundry receivables are settled within seven days and 14 days respectively and are carried at amounts due. All debts considered bad or doubtful are written off to bad debt expense in the year in which they are recognised as irrecoverable.

Prizes receivable from Blocs

Lotto, Oz Lotto, Powerball, Super 66 and The Pools are games supported by inter-jurisdiction prize pooling arrangements. State lottery operators participating in individual games form Blocs for the relevant games. Amounts receivable from Blocs represent monies due from other jurisdictions for prizes won in South Australia. Settlement of amounts receivable from Bloc members are normally due 14 days after the date of the draw.

Notes to and forming part of the financial statements continued

(k) Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and short-term deposits at call.

Short-term deposits are held with the South Australian Government Financing Authority (SAFA) in At Call Deposit and Cash Management Fund deposits and are valued at cost. Interest is paid at a minimum of SAFA's overnight at call deposit rate. The deposits principally reflect funds available for unclaimed prizes and for distribution to the Hospitals Fund and the Recreation and Sport Fund.

(l) Payables

Creditors

Creditors are recognised for amounts to be paid in the future for goods and services received and are normally settled within 30 days.

Prizes payable

Prizes payable represent amounts due to be paid to customers for prizes won in South Australia and to lottery operators in other States participating in inter-jurisdictional prize pooling arrangements. State lottery operators have formed Blocs to conduct the games of Lotto, Oz Lotto, Powerball, Super 66 and The Pools.

Amounts payable for prizes won in South Australia are generally available for settlement the day following the draw, or in the case of Instant Scratchies and minor Keno prizes, on the date of sale or draw. Division 1 and 2 prizes for Lotto type games are normally settled 14 days after the date of draw in accordance with the Lotteries Rules.

Amounts payable to Blocs represent monies due to other lottery operators for prizes won in interstate jurisdictions. Settlement of amounts payable to Bloc members are normally due 14 days after the date of the draw.

(m) Foreign currency

Exchange differences arising up to the date of purchase or sale are deferred and are included in the measurement of the purchase or sale, and are reported in the Statement of Financial Performance.

(n) Unclaimed prizes reserve

If a prize in a lottery has not been collected or taken delivery of within 12 months of the date of the draw or relevant day, the prize is forfeited to the Commission and transferred to the unclaimed prizes reserve. Subsection 16C(4) of the *State Lotteries Act 1966* requires the Commission to pay:

- 50 per cent of the amount derived from unclaimed prizes in The Pools to the Recreation and Sport Fund; and
- 50 per cent of the amount derived from unclaimed prizes in other lotteries to the Hospitals Fund.

The balance in the reserve is applied by the Commission from time to time for the purposes of providing additional or increased prizes in a subsequent lottery or lotteries, providing prizes in promotional lotteries or making ex-gratia payments.

The *State Lotteries Act 1966* provides for an ex-gratia payment to a person who satisfies the Commission that they are a winner of a prize in a lottery conducted by the Commission, despite the fact that a prize has been forfeited to the Commission, the winning ticket has been lost or destroyed or a notice of a claim for the prize has not been complied with in accordance with the Lotteries Rules.

Ex-gratia payments are charged to the unclaimed prizes reserve. Subsequent payments to either the Hospitals Fund or Recreation and Sport Fund are reduced by an amount equivalent to 50 per cent of the ex-gratia payment, depending on the game played.

(o) Tax equivalent regime

Pursuant to Treasurer's Instruction 22, a tax equivalent regime applies to SA Lotteries. The regime requires SA Lotteries to pay amounts deemed equivalent to that which would have been paid to the Federal Government if it was not exempt from the taxation laws of the Federal Government.

The accounting profit method of tax effect accounting with respect to income tax has been adopted whereby income tax expense is calculated on operating profit from ordinary activities. Permanent and timing differences do not arise. Tax due but not paid at balance date is recognised as a current liability.

Notes to and forming part of the financial statements continued

(p) Goods and Services Tax (GST)

SA Lotteries, as a gambling operator, is required to pay GST of one eleventh of net gambling revenue (NGR), defined as gross sales less total monetary prizes, direct to the Australian Taxation Office (ATO). The GST is treated as a cost of sales.

Revenues, expenses and non-current assets are recognised net of the amount of GST. The net amount of GST recoverable from, or payable to the ATO, is included as a current asset or liability in the Statement of Financial Position.

Cash flows from operating activities are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities in capital equipment which is recoverable from the ATO is classified as operating cash flows.

(q) Distribution of funds to Government

In accordance with Subsection 16(3) of the *State Lotteries Act 1966*, the Commission is required to pay to the Hospitals Fund the balance of surplus funds remaining after payment of gambling tax and GST on NGR, making allowances for operating and capital expenses, applying the net proceeds and gambling tax of The Pools to the Recreation and Sport Fund and retaining funds for certain designated purposes.

As detailed in note 2(o), SA Lotteries is required to make tax equivalent payments as a result of the application of the tax equivalent regime. In recognition of the provisions of the *State Lotteries Act 1966*, and in accordance with Schedule 1 of Treasurer's Instruction 22, the transfer of funds to the Hospitals Fund is reflected in the Financial Statements in the form of:

- (i) a gambling tax of 41 per cent on NGR in respect of all lotteries conducted by the Commission except sports lotteries and special lotteries;
- (ii) an income tax equivalent payment (calculated on the accounting profit method), recorded as an expense item in the Statement of Financial Performance;
- (iii) an operating profit after income tax equivalent payment, recorded as dividend; and
- (iv) unclaimed prizes.

A 'Special Dividend' of \$6,527,000, being the proceeds of the sale of SA Lotteries' former Head Office in Rundle Mall, Adelaide, was payable to the Hospitals Fund in 2004-05.

The composition of all amounts due and payable to Government on account of the Hospitals Fund and Recreation and Sport Fund is detailed in note 22.

(r) Interest bearing liabilities

Loans are brought to account at their principal amounts. Interest is accrued over the period it becomes due and is recorded as part of other creditors. Borrowing costs are recognised as expenses in the period in which they are incurred. No borrowing costs have been capitalised in the financial period.

The loans are unsecured and repayments are made six monthly on a credit foncier loan basis, with interest charged at the lender's benchmark rate. The carrying amount for borrowings therefore approximates fair value.

(s) Leases

SA Lotteries has an operating lease agreement for a remote computer site at Kidman Park and an accommodation lease agreement for its Head Office premises at 24-25 Greenhill Road, Wayville. The lessors effectively retain all risks and benefits incidental to ownership. Operating lease payments are representative of the pattern of benefits derived from the leased assets and are charged to the Statement of Financial Performance in the period in which they occur.

3. CHANGES TO ACCOUNTING POLICIES

(a) GST on Net Gambling Revenue

GST of one eleventh of the net gambling revenue is treated as a cost of sales in order to accurately report the Gross Margin.

(b) Impact of Adopting Australian Equivalents to International Financial Reporting Standards

Australia has adopted Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods commencing on or after 1 January 2005. SA Lotteries will adopt these standards for the first time in the published financial report for the year ended 30 June 2006.

In accordance with requirements of AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards*, a table has been prepared summarising any known or reliably estimated information about the impacts on the financial report had it been prepared using the AIFRS.

Notes to and forming part of the financial statements continued

Superannuation – Defined Benefit Members

Reconciliation of Key Aggregates	Amount Currently Reported per GAAP	AASB 119 Employee Benefits	Total Amount Reported under AIFRS
Statement of Financial Performance			
Service Cost	-	381	381
Interest Cost	323	316	639
Expected Return on Assets	-	(405)	(405)
Actuarial Gain	-	(136)	(136)
Operating Profit from Ordinary Activities before Income Tax Equivalents	25 997	(156)	25 841
Operating Profit from Ordinary Activities after Income Tax Equivalents	18 198	(109)	18 089
Statement of Financial Position			
Fair Value of Plan Assets	-	7 065	7 065
Total Defined Benefit Obligation	-	6 994	6 994
Net Assets	25 997	71	26 068
Cash Flows from Operating Activities	-	-	-
Cash Flows from Investing Activities	-	-	-
Cash Flows from Financing Activities	-	-	-

4. SEGMENT REPORTING

SA Lotteries has not established any partnership, body corporate or trust to carry out any function of its business operations. The business operations are conducted in the one main business and geographical segment, selling lottery games within the economic environment of South Australia.

5. SALES REVENUE

	2005 \$'000	2004 \$'000
Lotto	135 176	130 825
SA Lotto	40 670	41 706
Oz Lotto	14 641	15 467
Powerball	42 248	44 760
Keno	73 821	70 425
Instant Scratchies	40 343	39 812
Super 66	1 333	1 479
The Pools	586	622
	348 818	345 096

Sales revenue includes agents' commission.

Notes to and forming part of the financial statements continued

6. COST OF SALES

	2005 \$'000	2004 \$'000
Prizes	207 172	207 886
Gambling tax	58 412	56 256
Agents' commission	25 795	25 443
GST on net gambling revenue	12 877	12 474
	304 256	302 059

7. OTHER REVENUES

	2005 \$'000	2004 \$'000
Agents' fees and charges	3 685	3 497
Commission on Head Office sales	127	376
Easisplay Club service fee	336	324
Pools Administration Fee	106	105
Sundry	359	179
	4 613	4 481

8. SERVICES AND SUPPLIES

	2005 \$'000	2004 \$'000
TOTAL SUPPLIES AND SERVICES		
Advertising and marketing	6 279	5 659
Computer operations	3 718	3 607
Printing of tickets	1 620	1 607
Other	2 493	2 379
Operating leases	552	146
Bad debts	1	3
	14 663	13 401

SUPPLIES AND SERVICES PROVIDED BY ENTITIES WITHIN THE SA GOVERNMENT

Advertising and marketing	81	53
Other	584	591
	665	644

(1) The total includes supplies and services paid or payable to SA Government entities where the amount paid or payable to the SA Government entity was less than \$100,000.

SUPPLIES AND SERVICES PROVIDED BY ENTITIES EXTERNAL TO THE SA GOVERNMENT

Advertising and marketing	6 198	5 606
Computer operations	3 718	3 607
Printing of tickets	1 620	1 607
Other	1 909	1 788
Operating leases	552	146
Bad debts	1	3
	13 998	12 757

THE NUMBER AND DOLLAR AMOUNT OF CONSULTANCIES PAID/PAYABLE THAT FELL WITHIN THE FOLLOWING BANDS:

	2005		2004	
	No.	\$'000	No.	\$'000
\$1 - \$9 999	7	38	10	35
\$10 000 - \$49 999	6	146	4	87
\$50 000 and above	2	295	4	404
	15	479	18	526

Notes to and forming part of the financial statements continued

9. EMPLOYEE EXPENSES

	2005 \$'000	2004 \$'000
Wages and salaries	5 332	5 484
Superannuation	589	686
TVSP (refer below)	-	582
Long service leave	195	166
Employment on-costs	516	602
Commission Members' fees	113	115
Total Employee Expenses	6 745	7 635

TARGETED VOLUNTARY SEPARATION PACKAGES (TVSP)

TVSPs paid to employees during the reporting period	-	582
Annual leave and long service leave accrued over years of service	-	140
	-	722
Number of employees who were paid TVSPs during the year	-	15

REMUNERATION OF EMPLOYEES

The number of employees whose remuneration paid and payable was within the following bands:

\$120 000 - \$129 999	-	1
\$130 000 - \$139 999	1	-
\$140 000 - \$149 999	-	1
\$160 000 - \$169 999	1	-
\$180 000 - \$189 999	-	1
\$230 000 - \$239 999	-	1
\$260 000 - \$269 999	1	-

Remuneration paid or payable to these employees includes salary, fringe benefit tax and superannuation payments, paid to, or on behalf of, employees.

A remuneration increase of 3.5 per cent was paid to executives in August 2004, applicable to the year 2003-04.

The total remuneration paid and payable on behalf of employees whose remuneration was \$100 000 or more	568	701
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COMMISSION MEMBERS' REMUNERATION

The number of Commission members whose remuneration was within the following bands:

\$20 000 - \$29 999	4	4
\$30 000 - \$39 999	1	1

Remuneration paid or payable includes fees, superannuation payments and professional indemnity insurance paid on behalf of Commission members.

The total remuneration paid or payable to Commission members.	137	137
---	-----	-----

NUMBER OF EMPLOYEES

Number of employees at 30 June	80.0	80.0
Number of full-time equivalent at 30 June	77.2	77.4

10. DEPRECIATION AND AMORTISATION

	2005 \$'000	2004 \$'000
Buildings	116	81
Plant and equipment	360	353
Online lotteries system	3 065	3 029
Leasehold improvements	87	-
	3 628	3 463

Notes to and forming part of the financial statements continued

11. REMUNERATION OF AUDITORS

	2005 \$'000	2004 \$'000
Audit fees paid/payable to the Auditor-General's Department	156	144

12. CASH RECONCILIATION

(i) Reconciliation of cash

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

	2005 \$'000	2004 \$'000
Cash	48 263	45 349

(ii) Reconciliation of net cash provided by operating activities to surplus from ordinary activities before income tax equivalent.

	2005 \$'000	2004 \$'000
Operating profit from ordinary activities before income tax equivalent	25 997	25 055
Add gambling tax	58 412	56 256
Add non-cash items		
Depreciation	3 628	3 463
Loss on disposal of assets	500	-
Changes in assets/liabilities		
Decrease in receivables	232	1 116
Increase in unclaimed prize reserve	200	1 211
Increase (Decrease) in prize reserve fund	2 058	(1 900)
(Decrease) Increase in payables	(705)	1 327
Increase (Decrease) in provisions	111	(42)
Net cash inflows from operating activities	90 433	86 486

13. RECEIVABLES

	2005 \$'000	2004 \$'000
Debtor agents	1 403	735
Prizes receivable from Blocs	53	1 203
Sundry	888	653
	2 344	2 591

RECEIVABLES FROM SA GOVERNMENT ENTITIES

Sundry	233	213
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RECEIVABLES FROM NON SA GOVERNMENT ENTITIES

Debtor agents	1 403	735
Prizes receivable from Blocs	53	1 203
Sundry	655	440
	2 111	2 378

Notes to and forming part of the financial statements continued

14. PROPERTY, PLANT AND EQUIPMENT

	2005 \$'000	2004 \$'000
FREEHOLD LAND AND BUILDINGS		
Buildings at independent valuation	480	2 930
Accumulated depreciation	(24)	-
	456	2 930
Land at independent valuation	560	4 110
	1 016	7 040
PLANT AND EQUIPMENT		
Plant and equipment at historical cost	3 744	4 853
Accumulated depreciation	(2 990)	(3 879)
	754	974
ONLINE LOTTERIES SYSTEM		
Online lotteries system at valuation	10 168	12 054
Accumulated depreciation	-	(2 978)
	10 168	9 076
Online lotteries system at historical cost	119	380
Accumulated depreciation	-	(51)
	119	329
Total online lotteries system	10 287	9 405
LEASEHOLD IMPROVEMENTS		
Leasehold improvements at historical cost	2 288	-
Accumulated amortisation	(87)	-
	2 201	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	14 258	17 419

Reconciliations of Property, Plant and Equipment 2005	Land \$'000	Buildings \$'000	Plant & Equip \$'000	OLS* \$'000	LHI** \$'000	Total \$'000
Reconciliation of Property, Plant and Equipment:						
Carrying amount at 1 July	4 110	2 930	974	9 405	-	17 419
Additions	-	-	226	119	2 288	2 633
Disposals	(3 550)	(2 358)	(86)	(141)	-	(6 135)
Revaluation increment	-	-	-	3 969	-	3 969
Depreciation/Amortisation	-	(116)	(360)	(3 065)	(87)	(3 628)
Carrying amount at 30 June	560	456	754	10 287	2 201	14 258

* Online Lotteries System ** Leasehold improvements

Notes to and forming part of the financial statements continued

2004	Land \$'000	Buildings \$'000	Plant & Equip \$'000	OLS* \$'000	LHI** \$'000	Total \$'000
Reconciliation of Property, Plant and Equipment:						
Carrying amount at 1 July	3 310	2 321	1 144	12 235	-	19 010
Additions	-	-	183	201	-	384
Disposals	-	-	-	(2)	-	(2)
Revaluation increment	800	690	-	-	-	1 490
Depreciation	-	(81)	(353)	(3 029)	-	(3 463)
Carrying amount at 30 June	4 110	2 930	974	9 405	-	17 419

* Online Lotteries System ** Leasehold improvements

15. PAYABLES

	2005 \$'000	2004 \$'000
CURRENT		
Creditors	3 742	2 784
Prizes payable	8 558	10 035
Undistributed funds (refer to note 22)	7 762	5 973
	20 062	18 792
NON-CURRENT		
Creditors	103	220
	20 165	19 012
PAYABLES TO SA GOVERNMENT ENTITIES		
CURRENT		
Creditors	595	360
Undistributed funds (refer to note 22)	7 762	5 973
	8 357	6 333
NON-CURRENT		
Creditors	103	220
Total Payables to SA Government entities	8 460	6 553
PAYABLES TO NON GOVERNMENT ENTITIES		
CURRENT		
Creditors	3 147	2 424
Prizes payable	8 558	10 035
Total Payables to Non SA Government entities	11 705	12 459

Notes to and forming part of the financial statements continued

16. EMPLOYEE BENEFITS

	2005 \$'000	2004 \$'000
CURRENT		
Provision for employee benefits:		
Annual leave	278	236
Long service leave	118	47
	396	283
On-costs (accounted for in payables)	98	56
Accrued salaries and wages (accounted for in payables)	137	71
	631	410
NON-CURRENT		
Provision for employee benefits:		
Long service leave	767	769
On-costs (accounted for in payables)	103	220
	870	989
Aggregate employee benefits and related on-costs liabilities	1 501	1 399

17. OTHER LIABILITIES

	2005 \$'000	2004 \$'000
Prize reserve fund (i)	7 250	5 192
Sales in advance	1 636	1 513
	8 886	6 705
(i) Prize reserve fund		
Balance at 1 July	5 192	7 092
Allocated to prize reserve fund	10 833	9 633
	16 025	16 725
Applied to prizes	(8 775)	(11 533)
Balance at 30 June	7 250	5 192

The prize reserve fund allocation comprises the following percentages of net sales (gross sales revenue less agents' commission) for the following games:

- 10.0 per cent for SA Lotto (was 5.0 per cent up until 22 November 2004);
- 5.0 per cent for Lotto;
- 3.5 per cent for Oz Lotto and Super 66;
- 2.5 per cent for Powerball;
- 2.0 per cent for The Pools.

These funds are distributed from time to time as additional or increased prize money in the respective games.

Notes to and forming part of the financial statements continued

18. UNCLAIMED PRIZES RESERVE

	2005 \$'000	2004 \$'000
Balance at 1 July	7 061	7 489
Unclaimed monies forfeited	3 679	3 278
	10 740	10 767
Monies provided for distribution to the Hospitals Fund	(1 838)	(1 638)
Monies provided for distribution to the Recreation and Sport Fund	(1)	(1)
Promotional tickets and prizes	(3 422)	(1 726)
Additional prizes	(58)	(341)
Balance at 30 June	5 421	7 061

19. FUNDS RETAINED FOR CAPITAL PURPOSES

	2005 \$'000	2004 \$'000
SA Lotteries has retained funds of \$636 000, which represent the historical cost of the investment in land and buildings at 26 Payneham Road, Stepney.		
Balance at 1 July	2 976	2 976
Transfer to retained profits	(2 340)	-
Balance at 30 June	636	2 976

20. RESERVES

	2005 \$'000	2004 \$'000
Asset revaluation (i)	7 871	8 089
Building maintenance (ii)	94	94
Capital asset (iii)	15 563	14 657
Keno prize (iv)	1 833	920
	25 361	23 760
(i) Asset revaluation		
Balance at 1 July	8 089	6 599
Transfer to reserve	3 969	1 490
	12 058	8 089
Transfer to retained profits	(4 187)	-
Balance at 30 June	7 871	8 089
(ii) Building maintenance		
Balance at 30 June	94	94

Notes to and forming part of the financial statements continued

	2005 \$'000	2004 \$'000
(iii) Capital asset		
Balance at 1 July	14 657	13 628
Transfer to reserve	2 000	2 000
Transfer to retained profits	(1 094)	(971)
Net transfer to reserve	906	1 029
Balance at 30 June	15 563	14 657
Capital asset comprises the:		
Capital fund account	10 740	11 373
Capital fund assets (at written down value)*	4 823	3 284
	15 563	14 657
CAPITAL FUND ACCOUNT		
Balance at 1 July	11 373	9 757
Transfer to reserve	2 000	2 000
Assets financed	(2 633)	(384)
Balance at 30 June	10 740	11 373
CAPITAL FUND ASSETS		
Written down value at 1 July	3 284	3 871
Assets financed	2 633	384
Depreciation	(1 094)	(971)
Written down value at 30 June	4 823	3 284
*ASSETS FINANCED FROM THE CAPITAL FUND		
Balance at 1 July	8 961	8 579
Assets financed	2 633	384
	11 594	8 963
Assets disposed	(229)	(2)
Balance at 30 June	11 365	8 961
Accumulated depreciation write-down	(6 542)	(5 677)
Capital fund assets (at written down value)	4 823	3 284
(iv) Keno prize		
Balance at 1 July	920	1 713
Transfer to reserve	913	566
	1 833	2 279
Transfer from reserve	-	(1 359)
Balance at 30 June	1 833	920

Notes to and forming part of the financial statements continued

21. RETAINED OPERATING PROFIT

	2005 \$'000	2004 \$'000
Retained operating profit at 1 July	-	-
Transfer to Keno prize reserve	(913)	-
Transfer to capital asset reserve	(2 000)	(2 000)
Transfer from Keno prize reserve	-	1 359
Transfer from capital asset reserve	1 094	971
Transfer from asset revaluation reserve	4 187	-
Transfer from funds retained for capital purposes	2 340	-
Operating profit for year after income tax equivalent	18 198	17 539
Total available for appropriation	22 906	17 869
Transfer to Keno prize reserve from prior profits	-	(566)
Dividend (including special dividend) provided for in the current and prior years	(22 906)	(17 303)
Retained operating profit at 30 June	-	-

22. DISTRIBUTION OF FUNDS TO GOVERNMENT

	Balance 1 July \$'000	Distribution Provided \$'000	Distribution Paid \$'000	Balance 30 June \$'000
Gambling tax	4 591	58 412	57 120	5 883
Income tax equivalent	2	7 799	7 274	527
Dividend	1 280	16 379	16 723	936
Unclaimed prizes	100	1 839	1 676	263
Special Dividend	-	6 527	6 374	153
	5 973	90 956	89 167	7 762

COMPRISING:

DISTRIBUTION TO HOSPITALS FUND

Gambling tax	4 584	58 240	56 992	5 832
Income tax equivalent	2	7 799	7 274	527
Dividend	1 274	16 292	16 636	930
Unclaimed prizes	100	1 838	1 675	263
Special Dividend	-	6 527	6 374	153
	5 960	90 696	88 951	7 705

DISTRIBUTION TO RECREATION AND SPORT FUND

Gambling tax	7	172	128	51
Dividend	6	87	87	6
Unclaimed prizes	-	1	1	-
	13	260	216	57

Total 2004-05	5 973	90 956	89 167	7 762
Total 2003-04	6 571	83 280	83 878	5 973

Notes to and forming part of the financial statements continued

23. FINANCIAL INSTRUMENTS

(a) Terms and conditions of financial liabilities

SA Lotteries has six loans from the Department of Treasury and Finance, with fixed interest rates ranging from 5.59 per cent to 7.21 per cent together with a 0.75 per cent guarantee fee. All loans are repayable over eight years and the maturity schedule as at 30 June is set out in (b) below.

(b) Interest Rate Risk

The effective weighted average interest rate risk is outlined below for the following financial assets and liabilities.

FIXED INTEREST MATURING IN:

Financial Instrument	Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 to 5 Years \$'000	More than 5 Years \$'000	Non-interest Bearing \$'000	Total Amount \$'000	Weighted Average Interest Rate
2005							
FINANCIAL ASSETS:							
Cash	48 181	-	-	-	82	48 263	5.46%
Receivables	-	-	-	-	2 344	2 344	-
Total	48 181	-	-	-	2 426	50 607	
FINANCIAL LIABILITIES:							
Payables	-	-	-	-	20 165	20 165	-
Interest bearing liabilities	-	1 637	2 250	-	-	3 887	7.12%
Total	-	1 637	2 250	-	20 165	24 052	
2004							
FINANCIAL ASSETS:							
Cash	45 221	-	-	-	128	45 349	5.16%
Receivables	-	-	-	-	2 591	2 591	-
Total	45 221	-	-	-	2 719	47 940	
FINANCIAL LIABILITIES:							
Payables	-	-	-	-	19 012	19 012	-
Interest bearing liabilities	-	1 542	3 887	-	-	5 429	6.90%
Total	-	1 542	3 887	-	19 012	24 441	

(c) Foreign exchange risk

SA Lotteries entered into forward exchange contracts to hedge anticipated purchase commitments in US dollars.

The following table sets out the gross value to be paid under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of the outstanding contracts.

	2005 Weighted Average Rate	2004 Weighted Average Rate	2005 \$'000	2004 \$'000
BUYING US DOLLARS:				
Not longer than one year	0.67	0.67	751	751
Longer than one year but not longer than two years	0.67	0.67	751	751
Longer than two years but not longer than three years		0.67	-	751
			1 502	2 253

Notes to and forming part of the financial statements continued

(d) Credit risk

SA Lotteries' maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position. Credit risk represents the loss that would be recognised if parties holding financial assets of SA Lotteries at balance date fail to honour their obligations under contract.

SA Lotteries minimises its credit risk on trade debtors by undertaking its sales transactions with a large number of agents and requires those agents to remit outstandings on a twice weekly basis; therefore, SA Lotteries is not materially exposed to credit risk.

(e) Net fair values

SA Lotteries' accounting policies used to determine the net fair value of financial assets and liabilities are disclosed in note 2. The aggregate net fair values of recognised financial assets and financial liabilities at the balance date are equal to the carrying values as per the Statement of Financial Position.

24. RELATED PARTY DISCLOSURES

Commission Members

For the full financial year the following persons held the position of Member of the Commission:

Mr H J Ohff, FIEAust, CPEng, BA (Hons) (Presiding Member)
 Mr D P LeMessurier, Ass Dip (Man), SIA (aff), FAICD, MSDIA, MBA
 Ms S J Mackenzie, B Comm (Accounting), LLB (Hons)
 Mr S K Shirley, BEc, FCA, CPA, FTIA
 Ms C M Crago, Ass Dip (Bus), BBus (Mktg).

Details of Commission members' remuneration are set out in note 9.

No Commission member has entered into a material contract with the Commission since the end of the previous financial year and there were no material contracts involving Commission Members' interests subsisting at the end of the financial year.

25. COMMITMENTS FOR EXPENDITURE

	2005 \$'000	2004 \$'000
LEASE COMMITMENTS		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
Not later than one year	627	604
Later than one year and not later than five years	2 289	2 307
Later than five years and not later than ten years	2 462	3 159
	5 378	6 070
The operating lease for the remote computer site at Kidman Park is non-cancellable with rental payable monthly in arrears. Contingent rental provisions within the lease agreement require the minimum lease payments to be increased by 5 per cent per annum.		
The 10 year accommodation lease at 24-25 Greenhill Road is non-cancellable with rent payable monthly in advance. Contingent rental provisions within the lease agreement require lease payments to be increased by 3 per cent per annum with a rent review after 5 years. The option for renewal of a further term of 5 years is available prior to the expiration of the current term.		
OTHER COMMITMENTS		
Commitments in relation to other expenditure contracted for, but yet to be supplied, at the reporting date but not recognised as liabilities, payable:		
Not later than one year	1 958	2 890
Later than one year and not later than five years	1 275	3 014
	3 233	5 904

Notes to and forming part of the financial statements continued

26. SUPERANNUATION

SA Lotteries contributed to the following employee superannuation schemes:

- (a) SA Lotteries has an established superannuation scheme for its employees. The scheme accommodates both defined benefit members and accumulation members for benefits payable on resignation, retirement, death or disability.

The scheme is known as Lotteries Commission of South Australia Superannuation Plan (the Plan), a sub-plan of the Corporate Division of the Mercer Super Trust. The assets supporting the defined benefits are invested in the "Mercer Growth" investment option of the sub-plan.

The Plan is subject to a triennial review and is externally managed. The last full actuarial investigation was conducted as at 30 June 2003 by Paul Gilbert, FIAA and Richard R Codron, FIAA Superannuation Actuaries. The report was dated 24 February 2004.

	\$'000
INFORMATION FROM THE LAST ACTUARIAL REPORT:	
Accrued benefits as at 30 June 2003, the last measurement date	7 270
Net market value of assets as at 30 June 2003	7 017
<i>Information from the last audited annual accounts:</i>	
Vested benefits as at 30 June 2003	7 100
Net market value of assets as at 30 June 2003	7 017
Net market value of assets as at 30 June 2003 in excess of vested benefits	(83)

Financial Position as at 30 June 2005 based on unaudited asset information and preliminary data provided by Mercer Human Resource Consulting Pty Ltd:

	Total 30 June 2005	Coverage by Assets 30 June 2005	Coverage by Assets 30 June 2004
Assets	\$7 937 000	-	-
Value of Vested Benefits	\$7 137 000	111%	107%
Immediate Leaving Service Benefits	\$7 137 000	111%	107%
Deferred Leaving Service Benefits	\$8 029 000	99%	94%

Note: The Financial Position relates to all Plan members (ie defined benefit and accumulation members).

As at 30 June 2005 the Policy Committee for the Plan comprised:

Commission appointed:	- S J Mackenzie (Chairman)
	- B A Rohrlach
Member representatives	- J F Favretto
	- P H Wright

For defined benefit members, SA Lotteries pays the contribution level recommended by the actuary appropriate to meet the expected long term cost of benefits being provided. Contribution to the defined benefit plan during the year was \$373 000 (\$482 000).

The contribution by SA Lotteries for the accumulation benefit members of the Plan during the year was \$204 000 (\$196 000).

- (b) SA Lotteries contributed \$4000 (\$3000) for superannuation to private funds.
- (c) SA Lotteries contributed \$Nil (\$5000) to the State Pension Scheme on behalf of an employee who is a member of that scheme.

Certification of the financial report

We certify that:

- the attached General Purpose Financial Report for the Lotteries Commission of South Australia presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards and other mandatory professional reporting requirements in South Australia, the financial position of the Lotteries Commission of South Australia as at 30 June 2005, its financial performance and its cash flows for the year then ended;
- the attached financial statements are in accordance with the accounts and records of the Lotteries Commission of South Australia and give an accurate indication of the financial transactions of the Lotteries Commission of South Australia for the year then ended; and
- internal controls over the financial reporting have been effective throughout the reporting period and there are reasonable grounds to believe the Lotteries Commission of South Australia will be able to pay its debts as and when they become due and payable.

Hans J Ohff
Presiding Member

June Roache
Chief Executive



INDEPENDENT AUDIT REPORT

TO THE PRESIDING MEMBER LOTTERIES COMMISSION OF SOUTH AUSTRALIA

SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987* and section 18A of the *State Lotteries Act 1966*, I have audited the financial report of the Lotteries Commission of South Australia for the financial year ended 30 June 2005. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- Notes to and forming part of the Financial Statements;
- Certificate by the Presiding Member and the Chief Executive.

The members of the Lotteries Commission of South Australia are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Presiding Member.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing and Assurance Standards to provide reasonable assurance whether the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the Lotteries Commission of South Australia's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Lotteries Commission of South Australia as at 30 June 2005, the results of its operations and its cash flows for the year then ended.

14 September 2005

K I MacPHERSON
AUDITOR-GENERAL

Glossary

- Agent** Entity appointed under Agent Agreement to sell entries in lotteries conducted by SA Lotteries.
- Agency** Distribution outlet selling SA Lotteries' games.
- Corporate Scorecard** A performance measurement report linking short-term strategies with corporate vision.
- Division One** The highest guaranteed prize in any Lotto, Oz Lotto, SA Lotto, Powerball, Super 66 and The Pools.
- Easisplay Club** SA Lotteries' free online player registration service offering players a method of safeguarding their winnings and the ability to store favourite numbers.
- Instant Scratchies** Instant lottery tickets whereby players scratch away the latex on the ticket to reveal symbols or prizes.
- Jackpot** Occurs where there are no Division One winning entries in a draw resulting in the Division One prize pool accumulating from draw to draw.
- Keno** A numbers game of chance whereby 20 numbers are randomly generated from a possible 80 every 3.5 minutes. Players can choose from one number (Spot 1) to ten numbers (Spot 10).
- Lotto** A national game of chance whereby six balls (plus two supplementary numbers) are randomly drawn from a possible 45 every Saturday night.
- Megadraw** Lotto draw with millions of dollars available to be won.
- Online Lotteries System** The central computer system operating SA Lotteries' games and associated functions.
- Oz Lotto** A national numbers game of chance, drawn on Tuesday nights, involving a random draw of six numbered balls (plus two supplementary numbers) from 45 numbered balls.
- Powerball** A game of chance drawn nationally on Thursdays offering players the chance to win multi-million dollar prize pools every week. Five balls are randomly drawn from the first barrel of 45 numbered balls and one ball (the Powerball) from the second barrel of 45 numbered balls.

Responsible Gambling Occurs when individuals make informed decisions about their participation in lotteries games and play without harm to themselves, others and their communities.

Return to Government Incorporating gambling tax, income tax equivalent and dividend.

SA Lotto A game of chance offered exclusively within South Australia and drawn on Mondays and Wednesdays, with six numbered balls (plus two supplementary numbers) drawn from 45 numbered balls.

Shareholder The Government of South Australia, on behalf of the community of South Australia.

Small Business Charter A document outlining SA Lotteries' commitment to lottery outlets in small business and to small business suppliers.

Spot 10 Jackpot The top prize in a game of Keno, which is won when a player correctly matches 10 of the 20 numbers drawn. The Spot 10 prize pool jackpots with each draw where the top prize is not won.

State Lotteries Codes of Practice Mandatory codes for responsible gambling and advertising approved by the Independent Gambling Authority.

Super 66 A national game of chance whereby the player selects a six-digit number combination in the range of 000000 to 999999. To win, players match their selected numbers with the drawn numbers in the order drawn.

The Pools A game of chance whereby the winning numbers are based on the results of United Kingdom or Australian soccer matches.

Top Prize The highest guaranteed prize available to be won in SA Lotteries' Instant Scratchies and Keno games.

World Lottery Association (WLA) An international member organisation representing lotteries jurisdictions and industry suppliers.

The difference is, we're a 'win win' organisation

SA Lotteries has been making a difference to the lives of thousands of ordinary South Australians for more than 38 years.

On 29 May 1967, our very first Division One winner made big news in the inaugural South Australian lottery by scooping the major prize of \$14,000!

Since then, we've shared over \$3.2 billion in prize money. Via the State Hospitals Fund and the Recreation and Sport Fund, the South Australian community has also benefited by more than \$1.5 billion.

At SA Lotteries we're proud of our winning ways and our commitment to meet community expectations by achieving our goals in a socially responsible manner.

It's all part of our innovative, professional 'win win' approach for the benefit of all South Australians.



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This Annual Report is accessible via SA Lotteries' website
www.salotteries.sa.gov.au