

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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To the Commissioner Lotteries Commission of South Australia

Opinion

I have audited the financial report of the Lotteries Commission of South Australia for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Lotteries Commission of South Australia as at 30 June 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Commissioner and the Director, Accounting and Financial Services, Department of Treasury and Finance.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Lotteries Commission of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Commissioner for the financial report

The Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Commissioner is responsible for assessing the Lotteries Commission of South Australia's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the Lotteries Commission of South Australia. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 18A(2) 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 2026.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lotteries Commission of South Australia's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner
- conclude on the appropriateness of the Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Lotteries Commission of South Australia's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Lotteries Commission of South Australia to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the Lotteries Commission of South Australia on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Commissioner about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

30 September 2026

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STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Sales revenue	7	732 489	741 560
Cost of sales	8	647 890	654 901
Gross margin		84 599	86 659
Resources received free of charge	9	386	530
Total income		84 985	87 189
Expenses			
Supplies and services	5	386	530
Master Agent fee	6	84 599	86 659
Total expenses		84 985	87 189
Net result		-	-
Total comprehensive result		-	-

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

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STATEMENT OF FINANCIAL POSITION
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	10	116 154	111 312
Receivables	11	3 174	10 182
Total current assets		119 328	121 494
Total assets		119 328	121 494
Current liabilities			
Payables	12	33 670	36 699
Game related liabilities	14	21 782	18 439
Total current liabilities		55 452	55 138
Non-current liabilities			
Payables	12	53 891	56 813
Game related liabilities	14	9 985	9 543
Total non-current liabilities		63 876	66 356
Total liabilities		119 328	121 494
Net assets		-	-
Equity			
Retained earnings		-	-
Total equity		-	-

The total equity is attributable to the SA Government as owner.

Contingent assets and liabilities 15

The above statement should be read in conjunction with the accompanying notes.

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STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2026

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2024	-	-
Net Result for 2024-25	-	-
Total comprehensive result for 2024-25	-	-
Balance at 30 June 2025	-	-
Net result for 2025-26	-	-
Total comprehensive result for 2025-26	-	-
Balance at 30 June 2026	-	-

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash outflows			
Prizes paid		(422 554)	(421 066)
Master Agent fee payments		(100 827)	(103 161)
GST paid to the Australian Taxation Office		(12 593)	(11 370)
Distribution of funds to SA Government	13	(118 848)	(117 534)
Cash used in operations		(654 822)	(653 131)
Cash inflows			
Receipts from customers		659 664	664 510
Cash generated from operations		659 664	664 510
Net cash from (used in) operating activities		4 842	11 379
Net increase (decrease) in cash and cash equivalents		4 842	11 379
Cash and cash equivalents at the beginning of the financial year		111 312	99 933
Cash and cash equivalents at the end of the financial year	10	116 154	111 312

The above statement should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

1. Establishment and function of the Lotteries Commission of South Australia

The Lotteries Commission of South Australia (the Commission), is established under the *State Lotteries Act 1966*, with the primary function of promoting and conducting lotteries in South Australia.

Tatts SA Lotteries SA Pty Ltd (Tatts SA), as a subsidiary company of The Lottery Corporation, operates the Commission's brands and products, as the appointed Master Agent for a term expiring in December 2052. It is required to provide the Commission with all information relevant to its performance as Master Agent and for the proper operation of the agency arrangement.

The terms and conditions of the appointment and on-going operations of the Master Agent are governed by a number of Transaction Documents.

The Commission, in its capacity as principal, monitors Tatts SA's compliance with the Transaction Documents and retains the power to instruct Tatts SA to comply with its obligations under those documents.

All office administration functions of the Commission are undertaken by the Department of Treasury and Finance (DTF).

2. Basis of preparation

The financial statements have been prepared based on a 12 month reporting period and are presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The material accounting policies set out in the notes have been applied in preparing the financial statements for the year ended 30 June 2026 and the comparative information presented.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000) unless otherwise specified.

Assets and Liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non current.

(a) Statement of compliance

The Commission has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The financial statements have been prepared in accordance with relevant Australian Accounting Standards with Simplified Reporting Requirements and comply with Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the provisions of the *Public Finance and Audit Act 1987*.

The Commission has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Commission is a not-for-profit entity.

(b) Reporting entity

The reporting entity comprises all activities of the Commission. This includes all transactions processed through the Lotteries Fund which is established under section 16(1) of the *State Lotteries Act 1966*. Tatts SA holds and operates the Lotteries Fund for and on behalf of the Commission.

(c) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

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(d) Taxation

Tax equivalent regime

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, the Commission is required to pay to the State Government an income tax equivalent calculated on the basis of the accounting profit method. Following the appointment of Tatts SA as Master Agent, in December 2012, the Commission no longer makes tax equivalent payments as net profits are paid to Tatts SA as the Master Agent fee and Tatts SA is required to pay income tax on its operations.

The Commission is liable for goods and services tax (GST)

Goods and Services Tax (GST)

The Commission, in accordance with section 16(3)(b) of the *State Lotteries Act 1966*, is required to pay GST of one eleventh of net gambling revenue (NGR), being gross sales less total prizes paid, direct to the Australian Taxation Office (ATO). The Master Agent calculates and forwards the GST on a monthly basis for DTF to remit directly to the ATO on behalf of the Commission. The GST on NGR is treated as a cost of sales.

Other income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis.

(e) Special Appeal Lotteries

Section 13AB of the *State Lotteries Act 1966* enables the Commission to conduct Special Appeal Lotteries. Tatts SA is to do all things necessary to assist the Commission to conduct Special Appeal Lotteries and will receive compensation in accordance with the Master Agency Agreement and the Treasurer's Agency Fees Guarantee and Payment Deed.

No Special Appeal Lotteries were conducted during the financial year.

(f) Events after the reporting period

There have been no events subsequent to 30 June 2026 that have had a material impact on the information disclosed in these financial statements.

(g) Continuity of operations

The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Commission to enable it to perform its functions.

3. New and revised Accounting Standards and policies

The Commission did not voluntarily change any of its accounting policies during 2025-2026.

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4. Key management personnel

The key management personnel are the Treasurer and the Commissioner who have responsibility for the direction and management of the Commission.

Total compensation for key management personnel was nil in 2025-26 (nil in 2024-25).

As an employee of the Department of Treasury and Finance the Commissioner did not receive remuneration from the Commission for their duties as Commissioner.

Salaries and other benefits the Treasurer receives are excluded from the totals above. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

5. Supplies and services

	2026 \$'000	2025 \$'000
Services received free of charge	386	530
Total supplies and services	386	530

The Commission receives services provided free of charge totalling \$0.386 million in 2025-26 (\$0.530 million in 2024-25), and these were expensed at fair value. A corresponding resources received free of charge has been recognised as income.

Services include costs for salaries, legal costs, records management, audit fees & insurance through the South Australia Government Financing Authority (SAFA).

6. Master Agent fee

	2026 \$'000	2025 \$'000
Gross sales	732 489	741 560
less prizes	430 248	433 691
less gambling tax on NGR	115 120	117 285
less GST on NGR and Agents' commissions	27 477	27 988
Gross Master Agent fee (including Agents' commissions)	159 644	162 596
less Agents' commissions	75 045	75 937
Net Master Agent fee	84 599	86 659

The Master Agent fee is payable to Tatts SA as the Commission's exclusive Master Agent for operating SA Lotteries' brands and products. Under clause 8.3 of the Master Agency Agreement, the Master Agent remits the amount of the Master Agent fee less Agents' commissions to an account nominated by the Master Agent.

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7. Sales revenue	2026	2025
	\$'000	\$'000
Powerball	182 815	178 948
Keno	180 894	174 083
Saturday X Lotto	171 536	158 704
Oz Lotto	66 849	102 490
Weekday Windfall	46 782	48 869
Instant Scratch tickets	40 019	36 161
Set for Life	35 528	34 758
Lucky Lotteries - Mega Jackpot	4 299	1 496
Super 66	1 956	1 963
Lucky Lotteries - Super Jackpot	1 811	4 088
Total sales revenue	732 489	741 560

Sales revenue includes Agents' commissions.

Sales revenue for all games, except Instant Scratch tickets, is recognised as at the date of the draw. For these games, sales revenue as at 30 June for draws or competitions subsequent to that date are treated as sales in advance, see Note 14(e) Unearned revenue - sales in advance. Sales revenue for Instant Scratch tickets is recognised as tickets are sold.

8. Cost of sales	2026	2025
	\$'000	\$'000
Prizes	430 248	433 691
Gambling tax on net gambling revenue	115 120	117 285
Agents' commissions	75 045	75 937
GST on net gambling revenue and Agents' commissions	27 477	27 988
Total cost of sales	647 890	654 901

Cost of sales expenses include actual prizes paid, gambling tax on net gambling revenue, agents' commission and GST on net gambling revenue and are recognised in the reporting period in which the sales revenue is recognised.

9. Resources received free of charge	2026	2025
	\$'000	\$'000
Services received free of charge	386	530
Total resources received free of charge	386	530

The Commission receives services free of charge that are paid for by DTF. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. A corresponding Services paid by DTF has been recognised as expense.

The Commission also receives audit services free of charge from the Audit Office of South Australia in relation to work performed under the Public Finance and Audit Act 1987. No other services were provided by the Audit Office of South Australia.

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10. Cash and cash equivalents

	2026 \$'000	2025 \$'000
Funds held by the Master Agent	116 154	111 312
Total cash and cash equivalents	116 154	111 312

In accordance with clause 7 of the Master Agency Agreement, Tatts SA holds and operates the Lotteries Fund for and on behalf of the Commission. The Commission assigned all of its rights, title and interest to future interest earnings on the Lotteries Fund to the Master Agent. The consideration for the assignment of interest was included in the aggregate consideration paid by Tatts SA for the transaction to the State.

Cash and cash equivalents in the Statement of Financial Position and the Statement of Cash Flows includes cash held by Tatts SA on behalf of the Commission for game related obligations. These are subject to insignificant risk of changes in value and are used in the cash management function on a day-to-day basis.

Cash held by Tatts SA for game related obligations on behalf of the Commission is held with the Westpac Banking Corporation.

Cash is measured at nominal value.

11. Receivables

	2026 \$'000	2025 \$'000
Current		
Agent debtors	2 325	5 189
Prize settlements receivable from Blocs	653	4 733
Sundry receivables	196	260
Total current receivables	3 174	10 182
Total receivables	3 174	10 182

Receivables include amounts receivable from agents and other parties and prize settlements receivable from lottery operators in other States participating in inter-jurisdictional prize pooling arrangements. Receivables arise in the normal course of selling goods and services to agents and other parties and through prize settlement arrangements with other Bloc members.

All game related receivables are administered by Tatts SA on behalf of the Commission.

Prize settlements receivable from Blocs

Saturday X Lotto, Weekday Windfall, Oz Lotto, Powerball, Super 66, Set for Life, Lucky Lotteries and Instant Scratch-Its are games supported by inter-jurisdictional prize pooling arrangements. 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.

All game related prize settlements receivable from Blocs are administered by Tatts SA on behalf of the Commission.

Interest Rate Risk

All receivables are non-interest bearing.

Credit Risk

Credit risk represents the loss that would be recognised if parties owing monies to the Commission at the reporting date fail to honour their obligations. It is not anticipated that parties will fail to discharge their obligations. As at 30 June 2026 the major portion of monies owing relates to agent debtors for monies due from agents relating to sales.

Net Fair Values

The carrying amount of receivables approximates net fair value due to being receivable on demand.

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12. Payables

	2026 \$'000	2025 \$'000
Current		
Prizes payable	22 704	22 703
Distribution of funds to SA Government payable (note 13)	9 185	10 872
GST payable	889	1 072
Agent commission payable	892	2 052
Total current payables	33 670	36 699
Non-current		
Prizes payable	53 891	56 813
Total non-current payables	53 891	56 813
Total payables	87 561	93 512

All game related payables are administered by Tatts SA on behalf of the Commission.

Prizes payable represent amounts due to be paid to customers for prizes won in South Australia and settlements due to lottery operators in other States participating in inter-jurisdictional prize pooling arrangements.

Amounts payable for prizes won in South Australia are generally available for payment the day following the draw, or in the case of Instant Scratch tickets and minor Keno prizes, on the date of sale or draw. Division 1 prizes for lotto matrix type games are normally paid 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.

Non-current prizes payable relate to outstanding annuity-style Instant Scratch tickets and Set for Life prizes where the total prize is payable in instalments over a number of years in accordance with the terms and conditions of each game. The liability is measured at the undiscounted amount expected to be paid.

All prizes payable are administered by Tatts SA on behalf of the Commission.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

13. Distribution of funds to SA Government

	Balance 1 Jul 25 \$'000	Distribution		Balance 30 Jun 26 \$'000
		Provided \$'000	(Paid) \$'000	
Distribution to Hospital Fund				
Gambling tax	10 834	115 120	(116 964)	8 990
Unclaimed prizes	38	2 041	(1 884)	195
Totals 2025-26	10 872	117 161	(118 848)	9 185
Totals 2024-25	8 674	119 732	(117 534)	10 872

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 Net Gambling Revenue (NGR);
- making allowances for operating and capital expenses;
- in respect of Special Appeal Lotteries (note 2(e)), applying the net proceeds and unclaimed prizes less the GST on NGR to the beneficiary(s) of those lotteries; and
- retaining funds for certain designated purposes.

Gambling tax is paid from the Lotteries Fund by Tatts SA on behalf of the Commission to the State.

In accordance with the provisions of the *State Lotteries Act 1966* the transfer of funds to the Hospitals Fund was reflected in the financial statements in the form of:

- (i) a gambling tax of 48.9 per cent on NGR in respect of all lotteries (except Keno which is 61.1% and Coin Toss which is 61.38%) conducted by the Commission except sports lotteries, special lotteries and special appeal lotteries;
- (ii) unclaimed prizes.

The composition of all amounts due and payable to Government on account of the Hospitals Fund are detailed in this note.

Amounts provided relate to activity that occurred during the period 1 July 2025 to 30 June 2026. Amounts paid relate to payments made during the year for the periods June 2025 to May 2026. The balance at 30 June is the amount provided for the month of June 2026 that will be paid in July 2026.

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14. Game related liabilities

	2026 \$'000	2025 \$'000
Current		
Prize Reserve Funds (a)	8 863	10 100
Keno Prize Reserve (b)	5 216	884
Weekday Windfall Division 1 Prize Reserve (c)	1 842	1 566
Set for Life Prize Reserve (incl Div 1 and 2) (d)	2 950	2 269
Unearned revenue - sales in advance (e)	2 911	3 620
Total current game related liabilities	21 782	18 439
Non-current		
Unclaimed prizes reserve (f)	9 985	9 543
Total non-current game related liabilities	9 985	9 543
Total game related liabilities	31 767	27 982

(a) Prize Reserve Funds

Balance at 1 July	10 100	13 358
Allocated to prize reserve funds	18 568	18 953
Applied to additional or increased prizes	(19 805)	(22 211)
Balance at 30 June	8 863	10 100

An agreed proportion of the total amount of net sales (gross sales less Agents' commissions) for each of Saturday X Lotto, Weekday Windfall, Oz Lotto, Powerball, Super 66 and Lucky Lotteries is set aside to accumulate as the Prize Reserve Fund for each game in accordance with the respective Game Rules. These funds, with Commissioner approval, are applied from time to time for the payment of additional or increased prizes in subsequent lotteries or prizes in respect of missed prize entries for previous lottery draws.

(b) Keno Prize Reserve

Balance at 1 July	884	2 331
Allocated to prize reserve	131 807	126 825
Applied to prizes	(127 475)	(128 272)
Balance at 30 June	5 216	884

The Keno Prize Reserve is funded by a portion of net sales (gross sales less Agents' commissions) to meet the Keno prizes won.

(c) Weekday Windfall Division 1 Prize Reserve

Balance at 1 July	1 566	290
Allocated to prize reserve	8 343	8 718
Applied to prizes	(8 067)	(7 442)
Balance at 30 June	1 842	1 566

In accordance with the Game Rules, the Weekday Windfall Division 1 Prize Reserve was funded by a contribution of net sales agreed to by the Bloc members (gross sales less Agents' commissions) to meet Division 1 prizes.

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	2026 \$'000	2025 \$'000
(d) Set for Life Prize Reserve (incl Div 1 and 2)		
Balance at 1 July	2 269	4 925
Allocated to prize reserve	8 227	7 616
Applied to prizes	(7 546)	(10 272)
Balance at 30 June	2 950	2 269

In accordance with the Game Rules, the Set for Life Prize Reserve was funded by a contribution of net sales agreed to by the Bloc members (gross sales less Agents' commissions) to meet the Division 1 and 2 prizes.

(e) Unearned revenue - sales received in advance

Sales revenue for Saturday X Lotto, Weekday Windfall, Oz Lotto, Powerball, Keno, Super 66, Set for Life and Lucky Lotteries is recognised as at the date of the draw. For these games, sales revenue for draws after 30 June are treated as sales in advance. The sales in advance totalled \$2.911 million in 2025-26 (\$3.620 million in 2024-25).

(f) Unclaimed Prizes Reserve

Balance at 1 July	9 543	8 709
Unclaimed monies forfeited	4 082	4 894
Balance before distributions	13 625	13 603
Monies provided for distribution to the Hospitals Fund	(2 041)	(2 447)
Applied to additional or increased prizes in subsequent lottery draws, prizes in promotional lotteries or ex gratia payments	(1 599)	(1 613)
Balance at 30 June	9 985	9 543

Other than a prize in a Special Appeal Lottery (note 2(e)), any prize in a lottery that has not been collected or taken delivery of within 12 months of the date of the draw or relevant day is forfeited to the Commission and transferred into 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 sports lotteries or special lotteries to the Recreation and Sport Fund; and
- 50 per cent of the amount derived from unclaimed prizes in other lotteries to the Hospitals Fund.

There were no amounts derived from unclaimed prizes in sports lotteries or special lotteries during the financial year.

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 the period of notice of a claim for the prize has expired.

Ex gratia payments are charged to the Unclaimed Prizes Reserve. The next payment to either the Hospitals Fund or Recreation and Sport Fund is then reduced by an amount equivalent to 50 per cent of the ex gratia payment, depending on the game played.

The Unclaimed Prizes Reserve is administered by Tatts SA on behalf of the Commission and must only be disbursed in accordance with approvals given by the Commission.

15 Contingent assets and liabilities

The Commission is not aware of any contingent assets or contingent liabilities.

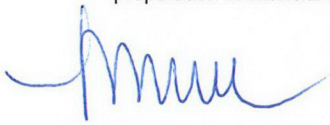
The Commission has made no guarantees.

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Certification of the Financial Statements

We certify that the financial statements for the Lotteries Commission of South Australia:

- comply with relevant Treasurer's Instructions and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Lotteries Commission of South Australia; and
- present a true and fair view of the financial position of the Lotteries Commission of South Australia as at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Lotteries Commission of South Australia for the financial year over its financial reporting and its preparation of financial statements have been effective.



Phuong Chau
Commissioner



Paul Williams
Director, Accounting and Financial Services

29 September 2026