

Voluntary Tax Transparency Code

The Lottery Corporation Limited and taxes

The Lottery Corporation Limited (**TLC**) operates Lotteries and Keno businesses in Australia.

The Lottery Corporation returns a substantial amount of its revenue to the community through the Lotteries and Keno taxes and duties levied on its operations.

The Lottery Corporation has adopted the Board of Taxation's Voluntary Tax Transparency Code (**TTC**) and makes the disclosures below in accordance with the TTC principles.

The information provided below relates to the year ended 30 June 2024 (**FY2024**):

Part A

A reconciliation of accounting profit to tax expense and to income tax paid or income tax payable, including identification of material temporary and non-temporary differences

	FY 2024 \$m
Income Tax Reconciliation	
Profit before tax	550.3
Prima facie tax at 30%	(165.1)
Amortisation of licences	(3.8)
Income tax refund for settlement of pre-demerger tax litigation matters	37.1
Other movements	(4.5)
Income tax expense	(136.3)
Current Tax Payable	(194.4)
Adjustments of current income tax of previous years	3.6
Income tax refund for settlement of pre-demerger tax litigation matters	37.1
Deferred tax	17.4
	(136.3)

Accounting effective company tax rates (ETR) for Australian and global operations (pursuant to AASB guidance)

Global operations ETR N/A	Australian operations ETR 24.8%
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Part B

Approach to tax strategy and governance

The Lottery Corporation adopts a conservative and cautious approach to tax risk management. It maintains a comprehensive, Board-approved Tax Risk Management Policy (**TRMP**). The TRMP applies to the technical and financial impact of Australian tax laws, as well as corporate reputation and accountability of The Lottery Corporation.

The objective of The Lottery Corporation’s tax strategy is to ensure that shareholders’ best interests are served by the correct amount of taxes being paid at the right time in Australia.

The Lottery Corporation’s tax strategy principles are:

- We aim to ensure the highest level of compliance with all of its statutory tax obligations, operating in good faith and with transparency.
- We seek to maximise shareholder value, while operating in accordance with the law.
- We manage our tax risk and tax affairs in a proactive manner.
- We seek to maintain professional, collaborative and open relations with Taxation Authorities.
- We consider reputation risk and stakeholder interests in assessing tax risk.

As a large taxpayer, The Lottery Corporation is under constant review by the Australian Taxation Office (**ATO**), partnering with the ATO to monitor The Lottery Corporation’s tax profiles across direct and indirect taxes.

FY2024 Tax contribution summary for corporate taxes paid by The Lottery Corporation:

<u>Tax or impost</u>	<u>\$millions</u>
Income tax (paid in FY2024)	169
Government taxes & duties paid (per Annual Report)	2,202
GST paid (per FY2024 lodged BAS)	269

Information about international related party dealings

The Lottery Corporation has no international subsidiaries as at 30 June 2024.

The 100% owned, dormant subsidiary, Tattersall’s Investments (South Africa) (Pty) Limited (**TISA**), incorporated in South Africa, is an Australian resident for tax purposes. There were no related party dealings with this subsidiary during FY2024. TISA was deregistered during FY2024.

Guide to Taxation Administration Act Section 3C

In November 2024, the Australian Taxation Office (**ATO**) published income tax information for The Lottery Corporation Limited's tax consolidated group (**TLC**) for the year ended 30 June 2023 (**FY2023**), taken from The Lottery Corporation's first full year tax return.

The Lottery Corporation has prepared this high-level guide to note the differences between its FY2023 tax consolidations group income tax return information published by the ATO and the information contained in The Lottery Corporation's FY2023 Financial Statements.

ATO Section 3C¹ (Per TLC's Tax Return)	TLC Financial Statements²	Comments
Total income \$3,528,606,586	Revenue \$3,513,071,578	The difference relates to classification of interest income.
Taxable income \$516,017,168	Profit before tax \$386,543,854	Taxable income is normally higher than Profit before tax due to the non-deductible amortization of TLC's major licenses and other non-deductible expenses.
Tax payable \$150,800,045	Current tax exp \$154,371,521	The difference related to FY23 Non-refundable R&D tax offset captured in the FY23 Tax Return.

¹ Information published in November 2024 by the Commissioner of Taxation under Section 3C of the Taxation Administration Act 1953 in respect of The Lottery Corporation Limited's FY2023 income tax return.

² Information contained in The Lottery Corporation Limited's FY2023 financial statements.