



Queensland
Government

Electoral Commission of Queensland

Departmental overview

Overview

The Electoral Commission of Queensland (ECQ) is an independent statutory authority established under *the Electoral Act 1992* and is responsible for the delivery of State and local government elections and enforcing compliance with electoral funding and disclosure requirements. The ECQ also undertakes periodic redistributions of Queensland's electoral districts through the Queensland Redistribution Commission, and assesses proposals referred by the Minister for Local Government for changes to local government boundaries through the Local Government Change Commission.

For the purposes of the *Financial Accountability Act 2009* the ECQ is a department.

The ECQ's vision is to be an evolving, trusted and respected commission servicing a community engaged in the democratic process. The key strategic objectives of the ECQ are to:

- deliver fair and transparent Queensland elections
- increase electoral awareness and participation
- continually improve electoral services
- ensure Queensland has balanced representation across electoral boundaries.

The ECQ contributes to the Government objectives for the community *Our Future State: Advancing Queensland Priorities* to Be a responsive government, by ensuring the integrity of Queensland electoral processes through the delivery of accessible, fair and transparent elections.

Key initiatives of the ECQ for 2019-20 will include:

- effective and efficient delivery of the 2020 local government quadrennial elections
- continued planning for the delivery of the 2020 State general election
- delivering education programs and undertaking compliance reviews with political parties, candidates, Members of Parliament, Councillors and donors to increase awareness of funding and disclosure requirements
- delivering the Election Gateway project to replace the Strategic Elections Management IT system
- undertaking reviews of local government external boundaries, divisions, numbers of councillors, names and classification through the Local Government Change Commission
- implementing policy and operational changes resulting from legislative reforms to address the independent panel's *Inquiry Report: A review of the conduct of the 2016 local government elections, the referendum and the Toowoomba South by-election* and the Crime and Corruption Commission's *Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government*.

Key environmental factors impacting on the performance of these functions include:

- the timing and duration of any State and local government election or by-election, referendum or industrial election
- continued implementation of the program of legislative changes affecting the ECQ's functions
- population growth and patterns of population distribution which affect local demand for ECQ services including assessments of State and local government electoral boundaries.

Service performance

Electoral Services

Service Area Objective

Promote awareness of and participation in electoral matters to deliver fair elections and to drive improvements to election services and to ensure equitable representation across Queensland electoral boundaries.

Description

The Electoral Commission of Queensland (ECQ) is responsible for the impartial conduct of parliamentary, local government and industrial elections in Queensland. The ECQ is also responsible for administration of the periodic review of electoral boundaries for the State, and local governments. The ECQ performs its functions in accordance with requirements of the *Electoral Act 1992*, the *Local Government Electoral Act 2011*, the *Referendums Act 1997*, the *Industrial Relations Act 1999*, the *Local Government Act 2009* and the *City of Brisbane Act 2010*.

Sources of revenue

| Total cost \$'000 | State contribution \$'000 | User charges & fees \$'000 | C'wth revenue \$'000 | Other revenue \$'000 |
|----------------------|------------------------------|-------------------------------|-------------------------|-------------------------|
| 70,261 | 70,231 | 30 | .. | .. |

Staffing¹

| 2018-19 Budget | 2018-19 Estimated Actual | 2019-20 Budget |
|----------------|--------------------------|----------------|
| 60 | 60 | 58 |

Note:

1. Full-time equivalents (FTEs) as at 30 June.

| Electoral Services | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est |
|--|-----------------------|-----------------------|-----------------------|
| Service standards | | | |
| <i>Effectiveness measures</i> | | | |
| Level of informal voting - State general election ¹ | ... | ... | ... |
| Level of informal voting - local government quadrennial elections ² | ... | ... | 5% |
| Level of stakeholder satisfaction with the voting experience - State general election ¹ | ... | ... | ... |
| Level of stakeholder satisfaction with the voting experience - local government quadrennial elections ³ | ... | ... | 85% |
| <i>Efficiency measures</i> | | | |
| Cost of State general election per elector ¹ | ... | ... | ... |
| Cost of local government quadrennial elections per elector ⁴ | ... | ... | \$8.63 |

Notes:

1. The next State general election is scheduled for the 2020-21 reporting period. As a result, no Target/Estimates were set for 2018-19 or 2019-20.
2. The 2019-20 Target/Estimate for informal voting is based on previous informality levels at the 2016 local government quadrennial elections (4.34%) and taking into account changes to legislation to introduce compulsory preferential voting for mayoral and single councillor elections which may contribute to unintentional informal voting.

3. The 2019-20 Target/Estimate is based on the State Level target estimate of 85% with an actual level of satisfaction being 84% in the 2017-18 *Service Delivery Statements* for the State general election.
4. Due to the high uncertainty of cost estimates at a time when the ECQ's primary election delivery systems and processes are under active development, the 2019-20 Target/Estimate has been calculated from probabilistic modelling. The base estimate was calculated from 2016 (\$5.60) with CPI added.

Additional items were then added to incorporate estimated cost of innovation projects underway for 2020, including aspects related to delivery of the ECQ's new Election Management System. After addition of a 10% allowance for emergent risk, line items were entered into the probabilistic model to simulate the cost of running the 2020 event. The 2019-20 Target/Estimate reflects an 80% confidence level; this provides a realistic target that balances the high service level expectations of election events against the focus on cost restraint appropriate to expenditure of public funds.

Administered items

The Electoral Commission of Queensland (ECQ) administers funds on behalf of the State which include:

- fines levied against enrolled electors for failure to vote at State and local government elections
- forfeiture of nomination deposits paid by or on behalf of candidates for State and local government elections where the candidate does not attain the required number of first preference votes in the election for the electoral district
- recovery of the cost from local governments for the conduct of local government elections.

During 2018-19 the ECQ collected administered revenue which included:

- recovery of the cost of local government by-elections held in the 2018-19 financial year
- collection of forfeited candidate nomination deposits where the required number of first preference votes were not obtained
- non-voter fines from the 2017 State general election and by-elections.

During 2019-20 the ECQ will:

- recover from local governments the cost of delivering the 2020 local government quadrennial election
- collect forfeited candidate nomination deposits where candidates in the 2020 local government quadrennial election did not obtain the required number of first preference votes
- commence the process to issue fines for non-voters from the 2020 local government quadrennial election.

Departmental budget summary

The table below shows the total resources available in 2019-20 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

| Electoral Commission of Queensland | 2018-19 Budget \$'000 | 2018-19 Est Actual \$'000 | 2019-20 Budget \$'000 |
|--|-----------------------------|---------------------------------|-----------------------------|
| CONTROLLED | | | |
| Income | | | |
| Appropriation revenue ¹ | | | |
| Deferred from previous year/s | .. | 1,302 | 20,232 |
| Balance of service appropriation | 48,003 | 23,637 | 49,999 |
| Other revenue | 30 | 30 | 30 |
| Total income | 48,033 | 24,969 | 70,261 |
| Expenses | | | |
| Electoral Services | 48,033 | 24,969 | 70,261 |
| Total expenses | 48,033 | 24,969 | 70,261 |
| Operating surplus/deficit | .. | .. | .. |
| Net assets | 16,566 | 17,173 | 18,982 |
| ADMINISTERED | | | |
| Revenue | | | |
| Commonwealth revenue | .. | .. | .. |
| Appropriation revenue | .. | .. | .. |
| Other administered revenue | 4,769 | 4,769 | 22,454 |
| Total revenue | 4,769 | 4,769 | 22,454 |
| Expenses | | | |
| Transfers to government | 4,769 | 4,769 | 22,454 |
| Administered expenses | .. | .. | .. |
| Total expenses | 4,769 | 4,769 | 22,454 |
| Net assets | .. | .. | .. |
| CAPITAL | | | |
| Capital purchases² | | | |
| Total land, buildings and infrastructure | .. | .. | .. |
| Total plant and equipment | 3,381 | 2,689 | 1,925 |
| Total other capital | .. | .. | .. |
| Total capital purchases | 3,381 | 2,689 | 1,925 |

Note:

1. Includes State and Commonwealth funding.
2. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

Controlled income statement

| Electoral Commission of Queensland | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| INCOME | | | | |
| Appropriation revenue | 1,3,7 | 48,003 | 24,939 | 70,231 |
| Taxes | | .. | .. | .. |
| User charges and fees | | 30 | 30 | 30 |
| Royalties and land rents | | .. | .. | .. |
| Grants and other contributions | | .. | .. | .. |
| Interest and distributions from managed funds | | .. | .. | .. |
| Other revenue | | .. | .. | .. |
| Gains on sale/revaluation of assets | | .. | .. | .. |
| Total income | | 48,033 | 24,969 | 70,261 |
| EXPENSES | | | | |
| Employee expenses | 4,8 | 9,001 | 9,001 | 21,634 |
| Supplies and services | 2,5,9 | 38,130 | 15,066 | 47,705 |
| Grants and subsidies | | .. | .. | .. |
| Depreciation and amortisation | 6 | 827 | 827 | 1,141 |
| Finance/borrowing costs | 10 | .. | .. | (314) |
| Other expenses | | 75 | 75 | 95 |
| Losses on sale/revaluation of assets | | .. | .. | .. |
| Total expenses | | 48,033 | 24,969 | 70,261 |
| OPERATING SURPLUS/(DEFICIT) | | .. | .. | .. |

Controlled balance sheet

| Electoral Commission of Queensland | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 11,17 | 5,912 | 7,513 | 8,224 |
| Receivables | | 383 | 170 | 170 |
| Other financial assets | | .. | .. | .. |
| Inventories | 12,18 | 1,022 | 460 | 460 |
| Other | 13 | 2,423 | 396 | 396 |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 9,740 | 8,539 | 9,250 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | 14,19 | 181 | 1,722 | 2,381 |
| Intangibles | 15 | 8,507 | 7,887 | 8,984 |
| Other | | .. | .. | .. |
| Total non-current assets | | 8,688 | 9,609 | 11,365 |
| TOTAL ASSETS | | 18,428 | 18,148 | 20,615 |
| CURRENT LIABILITIES | | | | |
| Payables | 16,20 | 1,611 | 526 | 526 |
| Accrued employee benefits | | 251 | 449 | 449 |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total current liabilities | | 1,862 | 975 | 975 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | .. | .. | .. |
| Interest bearing liabilities and derivatives | 21 | .. | .. | 658 |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | .. | .. | 658 |
| TOTAL LIABILITIES | | 1,862 | 975 | 1,633 |
| NET ASSETS/(LIABILITIES) | | 16,566 | 17,173 | 18,982 |
| EQUITY | | | | |
| TOTAL EQUITY | | 16,566 | 17,173 | 18,982 |

Controlled cash flow statement

| Electoral Commission of Queensland | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Appropriation receipts | | 48,003 | 21,821 | 70,231 |
| User charges and fees | | 32 | 32 | 32 |
| Royalties and land rent receipts | | .. | .. | .. |
| Grants and other contributions | | .. | .. | .. |
| Interest and distribution from managed funds received | | .. | .. | .. |
| Taxes | | .. | .. | .. |
| Other | | 890 | 890 | 890 |
| Outflows: | | | | |
| Employee costs | | (9,001) | (9,001) | (21,634) |
| Supplies and services | | (39,020) | (15,956) | (48,595) |
| Grants and subsidies | | .. | .. | .. |
| Borrowing costs | | .. | .. | 314 |
| Other | | (77) | (77) | (97) |
| Net cash provided by or used in operating activities | | 827 | (2,291) | 1,141 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of non-financial assets | | .. | .. | .. |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for non-financial assets | | (3,381) | (2,689) | (1,925) |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by or used in investing activities | | (3,381) | (2,689) | (1,925) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | 3,341 | 2,649 | 1,885 |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | (314) |
| Equity withdrawals | | (76) | (76) | (76) |
| Net cash provided by or used in financing activities | | 3,265 | 2,573 | 1,495 |
| Net increase/(decrease) in cash held | | 711 | (2,407) | 711 |
| Cash at the beginning of financial year | | 5,201 | 9,920 | 7,513 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 5,912 | 7,513 | 8,224 |

Administered income statement

| Electoral Commission of Queensland | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| INCOME | | | | |
| Appropriation revenue | | .. | .. | .. |
| Taxes | | .. | .. | .. |
| User charges and fees | 22 | 3,769 | 3,769 | 21,794 |
| Royalties and land rents | | .. | .. | .. |
| Grants and other contributions | | .. | .. | .. |
| Interest and distributions from managed funds | | .. | .. | .. |
| Other revenue | 23 | 1,000 | 1,000 | 660 |
| Gains on sale/revaluation of assets | | .. | .. | .. |
| Total income | | 4,769 | 4,769 | 22,454 |
| EXPENSES | | | | |
| Employee expenses | | .. | .. | .. |
| Supplies and services | | .. | .. | .. |
| Grants and subsidies | | .. | .. | .. |
| Depreciation and amortisation | | .. | .. | .. |
| Finance/borrowing costs | | .. | .. | .. |
| Other expenses | | .. | .. | .. |
| Losses on sale/revaluation of assets | | .. | .. | .. |
| Transfers of Administered Revenue to Government | 24 | 4,769 | 4,769 | 22,454 |
| Total expenses | | 4,769 | 4,769 | 22,454 |
| OPERATING SURPLUS/(DEFICIT) | | .. | .. | .. |

Administered balance sheet

| Electoral Commission of Queensland | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | | (22) | (12) | (12) |
| Receivables | | 123 | 766 | 766 |
| Other financial assets | | .. | .. | .. |
| Inventories | | .. | .. | .. |
| Other | | .. | 40 | 40 |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 101 | 794 | 794 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | | .. | .. | .. |
| Intangibles | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current assets | | .. | .. | .. |
| TOTAL ASSETS | | 101 | 794 | 794 |
| CURRENT LIABILITIES | | | | |
| Payables | | (1) | 1 | 1 |
| Transfers to Government payable | | 102 | 793 | 793 |
| Accrued employee benefits | | .. | .. | .. |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total current liabilities | | 101 | 794 | 794 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | .. | .. | .. |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | .. | .. | .. |
| TOTAL LIABILITIES | | 101 | 794 | 794 |
| NET ASSETS/(LIABILITIES) | | .. | .. | .. |
| EQUITY | | | | |
| TOTAL EQUITY | | .. | .. | .. |

Administered cash flow statement

| Electoral Commission of Queensland | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Appropriation receipts | | .. | .. | .. |
| User charges and fees | | 3,769 | 3,769 | 21,794 |
| Royalties and land rent receipts | | .. | .. | .. |
| Grants and other contributions | | .. | .. | .. |
| Interest and distribution from managed funds received | | .. | .. | .. |
| Taxes | | .. | .. | .. |
| Other | | 1,000 | 1,000 | 660 |
| Outflows: | | | | |
| Employee costs | | .. | .. | .. |
| Supplies and services | | .. | .. | .. |
| Grants and subsidies | | .. | .. | .. |
| Borrowing costs | | .. | .. | .. |
| Other | | .. | .. | .. |
| Transfers to Government | | (4,769) | (4,769) | (22,454) |
| Net cash provided by or used in operating activities | | .. | .. | .. |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of non-financial assets | | .. | .. | .. |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for non-financial assets | | .. | .. | .. |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by or used in investing activities | | .. | .. | .. |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | .. | .. | .. |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | .. | .. | .. |
| Net cash provided by or used in financing activities | | .. | .. | .. |
| Net increase/(decrease) in cash held | | .. | .. | .. |
| Cash at the beginning of financial year | | (22) | (12) | (12) |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | (22) | (12) | (12) |

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The decrease in appropriation revenue is a result of timing adjustments for replacement of the current Election Management System (EMS) and for the conduct of Local Government (LG) quadrennial elections scheduled on the 28 March 2020. The decrease in appropriation revenue can be reflected against lower expenditure level.
2. The decrease in expenditure against supplies and services are due to lower number of by-elections conducted (5) in comparison to prior year (20), lower planning and preparation activities for the LG quadrennial elections than anticipated as well as timing adjustments of targeted EMS replacement project milestones.

Major variations between 2018-19 Budget and 2019-20 Budget include:

3. The increase in appropriation revenue is due to the conduct of upcoming local government quadrennial elections as well as timing adjustments for the replacement of Election Management System (EMS).
4. The increase in employee expenses is due to the influx of Temporary Election Staff (TES) that will be engaged by the Electoral Commission of Queensland for the LG quadrennial elections.
5. The increase in supplies and services is to cover expenditure relating to the conduct of the LG quadrennial elections including short term office accommodations, advertising and awareness program, election materials and its associated distribution costs.
6. The increase in depreciation and amortisation in 2019-20 is to capture additional depreciation charges relating to capital projects underway.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

7. The increase in appropriation revenue is due to the conduct of upcoming Local Government quadrennial elections as well as timing adjustment for the replacement of Election Management System (EMS).
8. The increase in employee expenses is due to the influx of Temporary Election Staff (TES) that will be engaged by the Electoral Commission of Queensland for the LG quadrennial elections.
9. The increase in supplies and services is to cover expenditure relating to the conduct of the LG quadrennial elections including short term office accommodations, advertising and awareness program, election materials and its associated distribution costs.
10. The decrease against finance/borrowing costs is a result of a new accounting standard AASB 16 that must be implemented as of 1 July 2019. The change is to reflect the right of use asset and its corresponding liability.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

11. The increase in cash balance relates to funding from the 2017-18 financial year relating to the 2017 SGE non voter project and operating expenditure for the new Election Management System (EMS).
12. The lower inventory level is due to election materials used for the 2017 State General Election and by-elections.
13. The lower amount against other current assets is a result of lower by-elections conducted than anticipated reducing transactions against prepaid supplies and services and security deposits for office accommodations.
14. The increase against property plant and equipment is a result of capital works completed by the Department Housing and Public Works for the ECQ head office. The amount has been recognised as donated asset received.
15. The decrease against intangibles is a result of project milestones on the replacement of EMS project.
16. The decrease against payables is a result of lower by-elections conducted.

Major variations between 2018-19 Budget and 2019-20 Budget include:

17. The increase in cash assets is to ensure the ECQ has sufficient funds to meet financial obligations due to influx of activities relating to the conduct of the LG quadrennial elections.
18. The ECQ is not expecting to increase stock on hand as election materials that will be required for election event will be purchased and consumed within the same financial year.
19. The increase against property plant and equipment is a result of capital works completed by the Department Housing and Public Works for the ECQ head office. The amount has been recognised as donated asset received.
20. The decrease against payables is to cover business as usual activities that will be reflected at year end. Financial commitments relating to the LG quadrennial elections is expected to be finalised prior to year end.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

21. The increase in the 2019-20 budget is a result of new accounting standard (AASB 16 Leases) that must be implemented as of 1 July 2019, the amount is to reflect corresponding liability for current accommodations that are in place.

Administered income statement

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

22. The increase in user charges is result of recovery process for the conduct of Local Government quadrennial elections from respective councils. The amount collected will be remitted to the consolidated fund as reflected against note 24.
23. The collection of other revenue is generated from the expected level of non voter fines from election events and non-refundable candidate nominations fee. The amount collected by the ECQ will be remitted to the consolidated fund as outlined in note 24.
24. The increase in remittance to consolidated fund is driven from the cost recovery of the LG quadrennial elections and associated non voter fines.