

Annual Report 2012-13



Electoral Commission of
Queensland

This is the twenty-first annual report to Parliament on the operations of the Electoral Commission of Queensland.

This report is available for downloading from the Commission's website www.ecq.qld.gov.au and in paper form. Enquiries and requests for a copy of this report may be directed to:

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Electoral Commission of Queensland

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Annual Report 2012-13

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3 September 2013

The Honourable Jarrod Bleijie MP
Attorney-General and Minister for Justice
State Law Building
50 Ann Street
BRISBANE QLD 4000

Dear Attorney

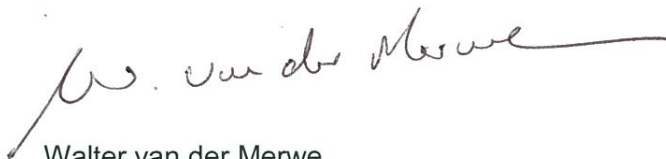
I am pleased to present the Annual Report 2012-13 and financial statements for the Electoral Commission of Queensland.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be located on the Commission's website www.ecq.qld.gov.au.

Yours sincerely



Walter van der Merwe
Acting Electoral Commissioner



QUEENSLAND

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FOREWORD



Although the reporting period 2012-13 did not encompass a State general election or local government quadrennial elections, there has been an immense amount of work performed by the Commission.

With both the State general election and local government quadrennial elections taking place in March 2012 and April 2012, respectively, there was a significant amount of

post-election activity that has taken place within the Commission, for example the follow-up of non-voters for both electoral events. During 2012-13 the Commission collected \$5.01m in non-voter fines. As always, the Commission's staff did an exemplary job in finalising both events in an expeditious manner considering they were held within two months of each other.

As far as electoral events are concerned, local government dominated the work activities of the Commission during this reporting period. The Commission conducted six by-elections during the 2012-13 financial year on behalf of local councils. Of particular importance, the Commission also conducted four de-amalgamation polls in accordance with the *Local Government (De-amalgamation Polls) Regulation 2013*. The last time the Commission conducted a similar type of poll was in 1992 (Daylight Savings Referendum). The de-amalgamation polls were conducted on 9 March 2013 with a "Yes" result being recorded in all four local government areas (Douglas, Mareeba, Livingstone and Noosa). Local government council elections for these areas are scheduled for late 2013.

During the reporting period the Queensland Parliament made changes to a number of Queensland Electoral Laws. November 2012 saw the Parliament pass the *Guardianship and Administration and Other Legislation Amendment Act 2012* removing provisions from the *Electoral Act 1992* relating to the payment of administration funding to registered political parties and independent members of the Legislative Assembly.

Under the Local Government Act the Electoral Commissioner also serves as Queensland's Local Government Change Commissioner. In 2012-13 the Commission completed four external boundary reviews. All change recommendations were approved and implemented by the Governor-in-Council.

Moving forward, the Commission's staff are continuing to plan for the next State general election and make appropriate enhancements to the election management system, including a substantial upgrade to the Commission's information technology servers and hardware.

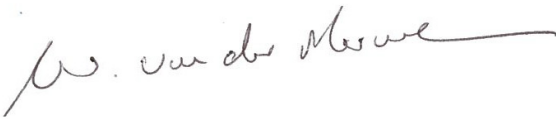
On 2 July 2013 the Attorney-General issued a paper on Queensland Electoral Review Outcomes. In this paper there are three main areas proposed for reform subject to legislative change being made by the Parliament. These include electoral funding, expenditure and disclosure reforms; maximising voter participation (electronically assisted voting for blind and vision impaired voters); and enhancing voting integrity reforms.

The Commission is particularly interested in developing and implementing electronically assisted voting initiatives for the blind and vision impaired.

The entire Commission and I look forward to working with the Queensland Parliament and key stakeholders in continually improving the operations of the Queensland electoral system for all eligible voters.

In April 2013 the Electoral Commissioner Mr David Kerslake retired from the Commission after serving seven years in the role. David's immense electoral experience and leadership qualities were a great asset to the Commission and I wish him well in his retirement.

Lastly, I would like to thank everyone who has worked at the Commission during the past 12 months for their exceedingly hard work and dedication.

A handwritten signature in dark ink, appearing to read 'W. van der Merwe', with a long horizontal flourish extending to the right.

Walter van der Merwe
Acting Electoral Commissioner

REFORM OF QUEENSLAND ELECTORAL LAWS

Electoral Act 1992

On 15 November 2012 Parliament passed *The Guardianship and Administration and Other Legislation Amendment Act 2012* removing provisions from the *Electoral Act 1992* relating to payment of administrative funding to registered political parties and independent members of the Legislative Assembly.

The amendments were assented to on 22 November 2012 and specified that the last funding period for which registered political parties and independent MPs were entitled to claim administrative funding was the period starting 1 July 2012 and ending 31 December 2012.

Removal of administrative funding provisions had little impact on the Commission's operational environment as the payment of entitlements and claims required minimal administrative time. Furthermore, appropriation of funds for administrative funding is no longer required.

Local Government (De-amalgamation Polls) Regulation 2013

The Minister for the Department of Local Government introduced provisions regarding the de-amalgamation of existing amalgamated councils into the *Local Government Act 2009*.

Under these provisions, the Commission was required to conduct de-amalgamation polls in the former local government areas of Douglas, Livingstone, Mareeba and Noosa.

Former Council	Amalgamated Council
Douglas	Cairns
Livingstone	Rockhampton
Mareeba	Tablelands
Noosa	Sunshine Coast

The de-amalgamation polls were conducted under the *Local Government De-amalgamation Polls Regulation 2013*.

- Only electors enrolled within the de-amalgamation areas were permitted to vote.
- Electors who were not enrolled at the initial close of rolls but were entitled to be enrolled were able to enrol and vote up until 6pm on the day before polling day.
- During a contested election candidates can appoint scrutineers who are entitled to be present during the election process. As this was a poll with no candidates, the regulation prescribed the appointment of Observers who had similar entitlements as scrutineers. The Commission encourages the participation of Observers as it increases the transparency of the poll process and result.
- Similar to the *Local Government Electoral Act 2011*, the Commission was required to pursue electors who appeared to have failed to vote.

Industrial Relations Act 1999

The *Industrial Relations (Fair Work Act Harmonisation) & Other Legislation Amendment Bill 2012* amended the *Industrial Relations Act 1999* and the *Industrial Relations Regulation 2011*. Amendments prescribed that the Commission was now responsible for conducting Protected Action Ballots (PABs).

The introduction of this balloting model clarifies the employee balloting process for the taking of protected industrial action in connection with a proposed certified agreement. These provisions ensure that there are greater safeguards and accountabilities in the balloting process.

The cost of PABs are incurred by the State.

ELECTION SUMMARIES

Local Government By-Elections

The Commission conducted six by-elections in the 2012-13 financial year under the *Local Government Electoral Act 2011* for the following councils:

By-Election	Polling Day
Torres Strait Island (Div 13)	29 September 2012
Torres Strait Island (Div 15)	27 October 2012
Mornington	9 March 2013
Napranum	9 March 2013
Boulia	4 May 2013
Lockhart River	11 May 2013

By-elections for Torres Strait Island Regional Council were court ordered as a result of challenges in the Court of Disputed Returns. Both challenges related to the successful candidate's eligibility to be elected.

The candidate for the Northern Peninsula Area by-election was elected unopposed with the result declared following the close of nominations Friday 14 June 2013.

The remaining by-elections were conducted due to vacancies caused by death or resignation.

De-amalgamation Polls

In accordance with the *Local Government (De-amalgamation Polls) Regulation 2013*, the Commission conducted de-amalgamation polls for the former areas of Douglas, Livingstone, Mareeba and Noosa. The last referendum style election conducted by the Commission was the Daylight Saving Referendum in 1992.

The Local Government (De-amalgamation Polls) Regulation was modelled on the *Local Government Electoral Act 2011*. Contrary to the Act, the

regulation permitted eligible electors who had not enrolled by close of rolls to enrol and vote up to 6pm the day before polling day.

A substantial advertising campaign through local news media was employed to ensure electors were aware of their obligation to vote in the poll. Additionally, voter information letters containing important electoral information was sent to every eligible elector.

The polls were conducted on Saturday 9 March 2013 with 'Yes' successful in all four areas.

Litigation

A dispute or challenge may be initiated by the Commission, or any other candidate / elector for the electoral district concerned in the Court of Disputed Returns for any of the following circumstances:

- challenges to the result of an election relating to the Commission's administrative processes, adjudications or eligibility of candidates; and
- disputes concerning the nomination of candidates, counting of ballot papers and declaration of results.

Torres Strait By-election

Three disputes were lodged in connection with the 2012 local government quadrennial elections. All three disputes related to divisions of the Torres Strait Regional Council, seeking declarations that particular candidates were not eligible to stand for election on the basis that they did not meet residing requirements under the *Local Government Act 2009*.

Section 31 of the Local Government Act provides that, in accepting candidate nominations, the Returning Officer is not obliged to look beyond the voters roll. In other words, it is sufficient in accepting a nomination to establish that the candidate is duly enrolled for the electoral district they are seeking to contest.

It is open, however, to other candidates or electors to challenge the election of a candidate if they reasonably believe that the person was not qualified to contest the election.

As at 30 June 2012, one of the three challenges had been decided, with the Court ordering a fresh election for Division 13 of the Torres Strait Regional Council. In 2012-13, the Court finalised the remaining two challenges, ordering a fresh election for Division 15 and upholding the election result for Division 2.

Although listed as a party to these proceedings, the Commission properly adopted a neutral position.

Failure to Vote

An elector who is issued an infringement notice for failing to vote at a State or Local Government election has an option to have the matter decided in a Court of law.

Five electors for the 2012 State election and 13 electors for the 2012 Local Government elections opted to have the matter heard by a Court. Additionally, the Commission is currently processing non-voters for the four de-amalgamation polls and six local government by-elections conducted during the 2012-13 financial year, which may result in further Court matters.



PUBLIC FUNDING AND FINANCIAL DISCLOSURE

Election Funding

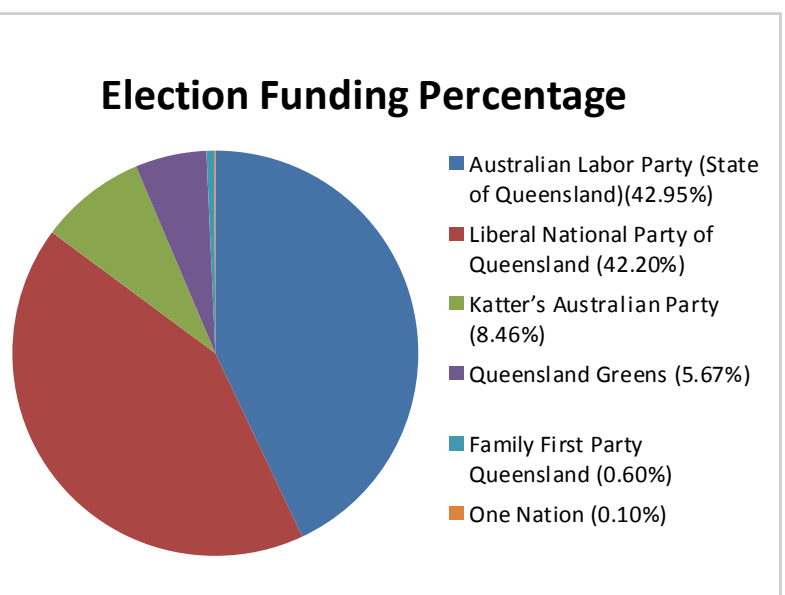
There were no electoral events which attracted election funding for the 2012-13 financial year. Legislation relating to the calculation of election funding entitlements remains unchanged. Eligible registered political parties and candidates are reimbursed based on a sliding scale of electoral expenditure incurred. The maximum entitlement is calculated using the sliding scale with reference to the capped electoral expenditure amount. Thresholds were adjusted from 1 July 2012 in line with formulae set out in the Electoral Act. Capped electoral expenditure amounts for the 2012-13 financial year were:

Entity	Amount
Independent Candidates	\$78,800
Endorsed Candidates	\$52,500
Registered Political Party	\$84,000 per district contested
Registered Third Party	\$524,800 but no more than \$78,800 in a single electoral district
Unregistered Third Party	\$10,600 but no more than \$2,200 in a single electoral district
By-election Independent Candidates and Endorsed Candidates	\$78,800

2012 State General Election

Registered political parties received \$12.3m in election funding (includes advanced election funding) as per the table below:

Party	Amount
Australian Labor Party (State of Queensland)	\$5,265,588
Liberal National Party of Queensland	\$5,175,820
Katter's Australian Party	\$1,037,375
Queensland Greens	\$695,302
Family First Party Queensland	\$73,718
One Nation	\$11,913



Independent and endorsed candidates received a total of \$2.9m in election funding.

Administrative Funding

Administrative funding entitlements for registered political parties and independent MPs was repealed in November 2012.

The final funding period for which parties and independent MPs may be paid administration funding was the six month period ending 31 December 2012. Three registered political parties were paid administration funding for that period:

Party	Amount
Liberal National Party of Queensland	\$1,049,500
Australian Labor Party (State of Queensland)	\$252,600
Katter's Australian Party	\$84,200

Disclosure

Registered political parties and their associated entities have an obligation to lodge a return, for the first half of the financial year and for the full financial year, stating:

- the total amount received by or for the party or associated entity;
- the total amount of political donations received by the party or associated entity;
- the total amount paid by or for the party or associated entity; and
- the total outstanding amount, at the end of the reporting period, of all debts incurred by or for the party or associated entity.

Name and addresses for payments of \$1,000 or more must be included in the party's, or associated entity's return. Persons who, and entities which make payments aggregating to \$1,000 or more to a party or associated entity in each six month reporting period for fundraising contributions, political donations and other gifts, including the value of gifts in kind, also have an obligation to report their payments to the Commission.

Register of Political Parties

As at 30 June 2013, the seven parties on the Queensland Register of Political Parties were:

Registered Political Party	Date of Registration
Australian Labor Party (State of Queensland)	14 August 1992
Queensland Greens	6 May 1994
Family First Party Queensland	12 April 2006
Liberal National Party of Queensland	9 September 2008
One Nation Queensland Division	12 August 2011
Katter's Australian Party	22 September 2011
United Australia Party	5 June 2013

During the 2012-13 reporting period the Commission received two applications to register a party. The application from the United Australia Party was successful whereas, the application from No-Tolls.org was unsuccessful as a result of not satisfying legislative requirements.

On 8 October 2012 the Daylight Saving for South East Queensland was removed from the Register of Political Parties.

LOCAL GOVERNMENT CHANGE COMMISSION

Under the Local Government Act the Electoral Commissioner also serves as Queensland's Local Government Change Commissioner, responsible for the review of proposed local government changes including internal and external boundaries and electoral arrangements.

Completed Reviews

In the 2012-13 financial year the Commission completed four external boundary reviews which included:

1. Moreton Bay Regional Council and Sunshine Coast Regional Council (Postman's Track)
2. Ipswich City Council and Somerset Regional Council (Lot 1 on SP218481)
3. Ipswich City Council and Somerset Regional Council (Lot 2 on RP164048)
4. Moreton Bay Regional Council and Brisbane City Council (Hills District)

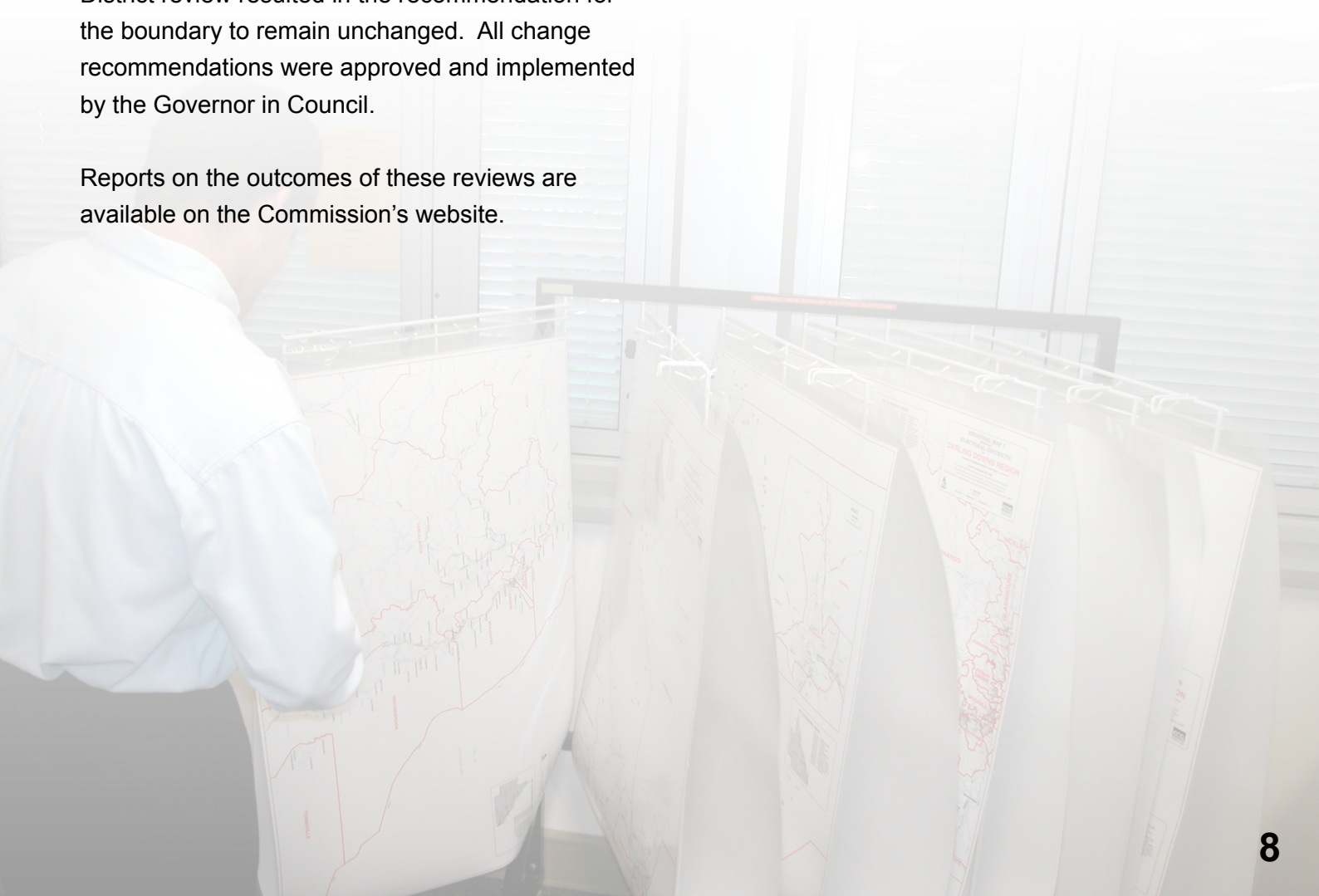
In-Progress Reviews

As at 30 June 2013, the Change Commission has commenced a boundary review of Southern Downs Regional Council and Toowoomba Regional Council. Results will be made publicly available via the Commission's website shortly after finalisation.

Result

The Commission recommended a boundary change for the first three reviews whereas, the Hills District review resulted in the recommendation for the boundary to remain unchanged. All change recommendations were approved and implemented by the Governor in Council.

Reports on the outcomes of these reviews are available on the Commission's website.



AGENCY OVERVIEW

The Electoral Commission of Queensland was established in accordance with the Electoral Act. The Commission is a Statutory Authority that independently administers Queensland's electoral laws.

Our Vision

Our vision is to be recognised for excellence in electoral administration.

Our Purpose

We are committed to providing quality electoral services to clients throughout Queensland, and ensuring that our electoral system, especially the right to vote and to vote in secret, is fully accessible to all electors.

Our Values

- Promoting the public good;
- Accountability and transparency;
- Integrity and impartiality; and
- Commitment to the system of government.

Our Objectives

- Administering Queensland's electoral laws, impartially and Independently;
- Conducting free and democratic parliamentary, local government and industrial elections;
- Managing a comprehensive process for the independent review of local government boundaries;
- Promoting the informed participation and confidence of Queenslanders in the electoral system; and
- Provide quality electoral services to stakeholders.

Our Services

- Conducting parliamentary elections, by-elections and referendums;
- Conducting local government quadrennial elections, by-elections and fresh elections;
- Conducting industrial elections;
- Administering political party registrations;
- Administering election funding and financial disclosure requirements;
- Undertaking reviews of boundaries and electoral arrangements for local governments;
- Assisting the State Redistribution Commission (as required);
- Maintaining Queensland's electoral roll; and
- Inquiring into preselection for candidates in State and local government elections.



OPERATIONAL ACTIVITIES

Community Awareness and Education

During the 2012-13 financial year, the Commission has continued to engage with the community through school visits and a number of other initiatives.

Royal Queensland Show (Ekka)

The Commission partnered with the Australian Electoral Commission (AEC) to share a booth at the Ekka in August 2012. The objective of the booth was to highlight the Commission's role in the community and increase enrolment and voting participation by:

- providing enrolment and voting themed brochures / give-aways;
- partaking in the RNA's "Adventure Trail"; and
- promoting the "ECQ quiz", which involved students answering a set of electoral based questions. The quiz was popular with 226 students taking part.

Homeless Connect

The Commission strives to engage all electors with an emphasis on demographical groups under-represented in the electoral process. Subsequently, the Commission is supportive of Homeless Connect and attends the event annually. Homeless Connect was held at the RNA Showgrounds in May 2013.

In 2013-14 the Commission is developing the "Homeless not Voiceless" project, which aims to increase electoral participation by educating electors who are homeless and staff working with the homeless.

Democracy in the Community

The National Disability Advisory Committee, of which the Commission is a member, highlighted the need for greater engagement with reference to enrolment and voting information for the disabled and vision impaired. Subsequently, research for a new project labelled "Democracy in the Community" will be undertaken in 2013-14. Project researchers will investigate strategies and programmes that can

improve the effectiveness of engagement with the disabled community. Initially, the project will focus on hearing and vision impaired electors.

Maintenance of the electoral roll

The electoral roll for Queensland is maintained by the Australian Electoral Commission under a joint arrangement between the Commonwealth and the Queensland Government. The Commission paid an annual fee of \$2.4m for this service in 2012-13.

Although the AEC has primary responsibility for maintenance of the roll, the Commission assists by arranging access to relevant data held by State Government agencies, as well as conducting education and awareness activities to encourage new enrolments.

As at 30 June 2013, there were 2,786,632 electors enrolled for Queensland, compared with 2,772,589 at the corresponding time in the previous year. During the reporting period, 552,321 enrolment transactions occurred. The transactions consisted of new enrolments, amendments and changes of address, reinstatements, intrastate and interstate, death deletions and objection action where an elector no longer resides at the address that they are enrolled. In 2012-13 amendments to Commonwealth legislation introduced direct enrolment and update; and electronic signatures for electronic enrolment.

Direct Enrolment and Update

Previously the onus was on the elector to complete and submit an enrolment form, commonly known as "opt in". Information is now received from government agency sources and is data matched with the electoral roll. Changes of address and "new" electors are identified and advised in writing that they will be enrolled unless they provide evidence that they are not eligible or the information used is incorrect. This new "opt out" method of enrolment has seen over 5,000 new electors and more than 100,000 address changes in Queensland since March 2013.

Electronic Signatures for Electronic Enrolment

Enhancements have been made to the Online Enrolment Services (OES) providing electors with an option to sign their enrolment form electronically. This legislated change is to simplify the enrolment process and appeal to electors in the 18 to 25 age demographic as this group is over-represented in unenrolled research figures.

Systems Development & Training

The Commission's Systems Development & Training (SD&T) section updated procurement practices in 2012-13 to parallel various whole of government policies. SD&T delivered a hybrid procurement model that leverages a combination of in-house and external resources. This procurement model has facilitated the replacement of plant and equipment and enabled the continuation of the legacy systems project, which aims to upgrade legacy systems.

Once complete, upgraded infrastructure will provide a stable and robust environment for election management activities such as electoral roll scanning, non-voter activity and for the provision of electoral data to other government agencies.

The following activities were carried out during the 2012-13 financial year:

- back-up and archiving of electronic documents;
- security review of internal and external sites;
- installation of systems management software;
- an assessment of systems handling sensitive data;
- the establishment of a Wiki for all Commission bespoke software and build documentation;
- development of a Disaster Recovery capabilities as part of a "Business Continuity Plan"; and
- implementation of a formal production environment in which all systems used by the Commission, to support business operations, are located and managed.

In 2012-13 the Commission developed a number of digital training modules designed to provide instruction to election officials. The digital training program was created to address the logistical and cost issues associated with training for rural and remote areas.

With the State General and Local Government elections scheduled for 2015 and 2016, respectively, the Commission during 2013-14 will further develop training programs / packages and investigate integration with internet based technologies.

Industrial Elections

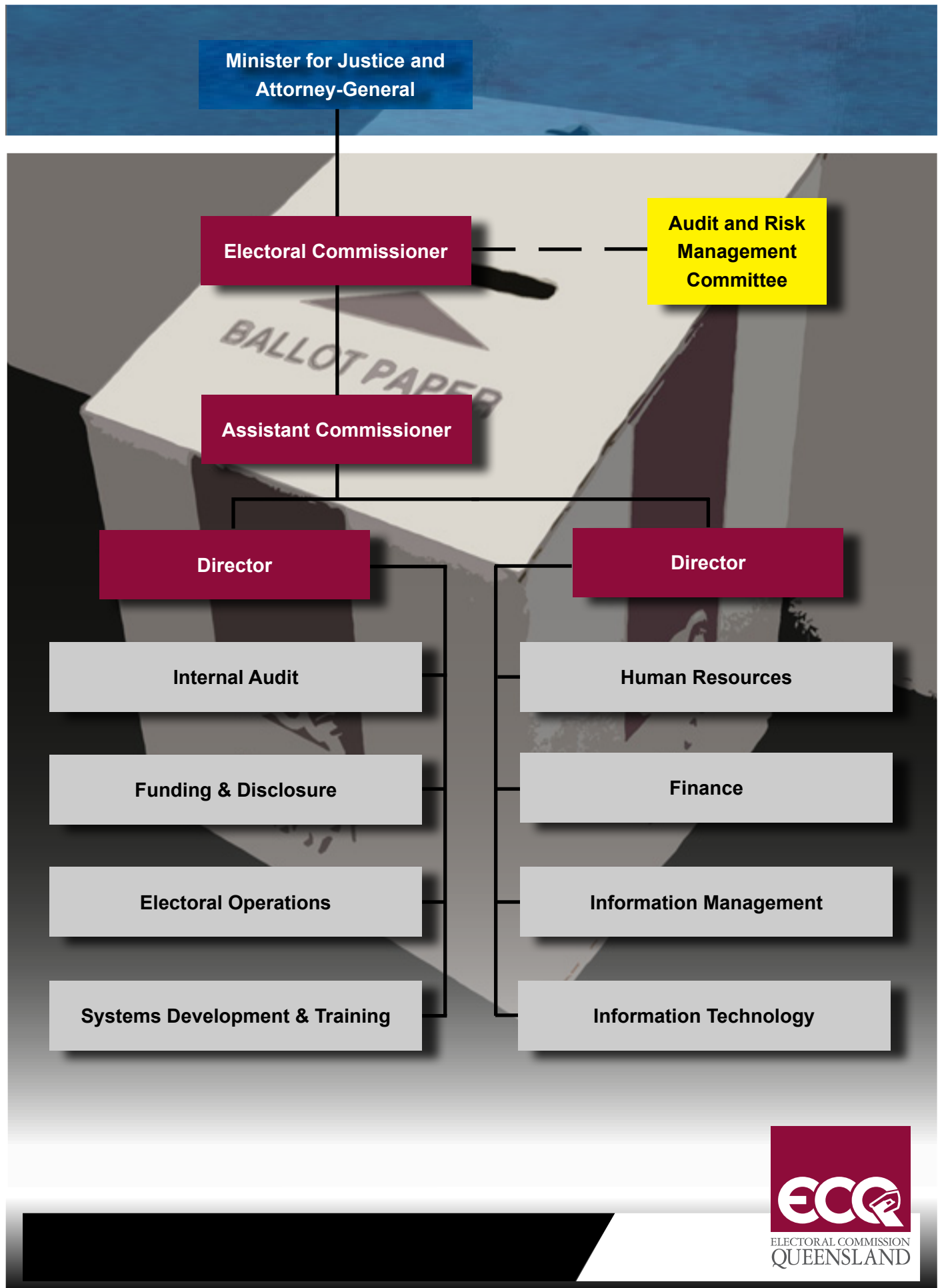
Under the Industrial Relations Act the Commission has a statutory obligation to conduct industrial elections. A total of 40 Elections involving 1,813 positions were conducted during the 2012-13 reporting period, in comparison to the 84 elections (2950 positions) for the previous financial year.

In 2012-13 the Commission was given the responsibility of conducting Protected Action Ballots (PABs) where the membership of unions were balloted to ascertain what industrial action should be taken in support of arriving at a new enterprise bargain agreement. The Queensland Industrial Relations Commission issued decisions for the Electoral Commission to conduct 491 PABs in the 2012-13 reporting period. The number of questions on the ballot papers varied with the total number of questions for all PABs totalling 2,365.

Non-Voters

The Commission is legislatively required under the Electoral Act and the Local Government Electoral Act to pursue electors who failed to vote unless a valid and sufficient reason is provided. During 2012-13 the Commission collected \$5.01m in non-voter fines. The majority of these monies was in connection with the two major electoral events conducted in 2012.

ORGANISATIONAL CHART



CORPORATE GOVERNANCE

Senior Management Group

Electoral Commissioner

The Electoral Commissioner is responsible for the running of the Electoral Commission of Queensland, an independent statutory authority established under the *Electoral Act 1992* to administer the electoral laws of Queensland in an efficient, effective and economical manner thus ensuring the conduct and administration of elections are not influenced by political considerations.

Assistant Commissioner

The Assistant Commissioner leads Electoral Operations by providing quality electoral services to clients throughout Queensland and at all times remaining politically neutral.

Changes to the executive management group during 2012-13 are provided within the QAO certified financial statements.

Human Resource Management

The tables below illustrate the Commission's approved establishment and actual staff for the 2012-13 reporting period.

Electoral Commission of Queensland approved establishment as at 30 June 2013:

	AO3	AO4	AO5	AO6	AO7	AO8	SO	SES2	CEO	Total
Positions	11	12	14	9	6	1	2	1	1	57

Commission actual staff as at 30 June 2013:

	AO3	AO4	AO5	AO6	AO7	AO8	SO	SES2	CEO	Total
Permanent	6	8	7	4	4	0	1	0	1	31
Temporary	4	2	2	2	0	0	1	0	0	11
Total	10	10	9	6	4	0	2	0	1	42

The variation between the approved establishment and actual staff reflects vacant positions.

The Commission engages casual employees on an "as need basis" and during the 2012-13 financial year the number of casual employees engaged was 15 (2012:259).

Early Retirement, Redundancy and Retrenchment

During the 2012-13 reporting period no employment severance packages were offered to Commission staff.

Director Election Funding and Disclosure

The Director Election Funding and Disclosure leads the Funding and Disclosure Unit by ensuring the Commission complies with the responsibilities and obligations relating to the electoral funding and disclosure matters prescribed by the Electoral Act 1992, as well as perform the legislated responsibilities of the Chief Finance Officer for the Commission. This role has been recently expanded to include the management of electoral operations.

Director Business Services

The Director Business Services leads the Business Services Branch in the management and coordination of all election support operations of the Electoral Commission of Queensland.

Control Framework

Our internal control framework helps us to meet our organisational objectives. The key elements are governance, risk management, internal audit and external audit.

Governance

The governance bodies which monitor and oversee risk management and control at ECQ encompass the:

- Senior Management Group; and
- Audit and Risk Management Committee.

Senior Management Group

The Senior Management Group (SMG) comprises the Electoral Commissioner, Assistant Commissioner, Director Election Funding and Disclosure, Director Business Services and Executive Officer.

The SMG meets regularly to determine organisational outcomes for the Commission. It is also responsible for establishing strategic and corporate priorities, providing leadership in organisational improvement and monitoring the Commission's use of human, financial and information resources.

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) provides independent assurance and assistance to the Electoral Commissioner to help meet his statutory obligations as Accountable Officer.

A membership review of the ARMC during 2012-13, resulted in the number of members decreasing from six to four.

Mr Kerslake resigned from the Committee on 26 April 2013 and a new member, Mr Richard Bosanquet has since been appointed. Mr John

Hows and Mr Raymond Gardner had their membership lapse in June 2013. Ms Cheryl Beardmore's membership lapsed in June 2013 and a new member, Ms Lesley Trost was appointed as the new Committee Secretary.

Member	Term	Meetings Attended
W van der Merwe*	1-Jun-11 to 1-Jun-13	3
R Gardner	1-Jun-11 to 1-Jun-13	3
C Beardmore	1-Jun-11 to 1-Jun-13	3
D Kerslake	1-Jun-11 to 1-Jun-13	2
J Hows	1-Jun-11 to 1-Jun-13	2
Y Zischke*	1-Jun-11 to 1-Jun-13	2

* Term has since been extended

The ARMC met three times during the year and reviewed various matters, including business risks, risk management frameworks, internal and external audit, and the draft ECQ Strategic Plan 2013-17. The ARMC operated in accordance with its charter.

Risk Management

The ECQ has an established risk management framework in place. This framework is used to manage the business and strategic risks that pose a threat to the Commission.

Monitoring of risks is achieved through periodic reporting to both SMG and the ARMC.

Internal Control

ECQ's internal controls are documented in policy and procedures and are evaluated for effectiveness through internal and external audit.

Internal audit

Internal audit operates under its own charter and reports directly to the Commissioner. The primary

role of internal audit is to conduct independent and objective assurance audits. The scope of the work is set out in the approved strategic and annual internal audit plan.

ECQ's Head of Internal Audit, Yvette Zischke CPA, managed the internal audit program for 2012-13. The program was delivered through a combination of in-house auditors as well as the use of a contract auditor from Synexus Pty Ltd.

The major areas audited during 2012-13 were: inventories, election payroll, funding and disclosure, pre-selection ballots, procurement, portable and attractive assets, returning officers and petty cash.

External audit

The Queensland Audit Office (QAO) conducted the external audit of the Commission for the 2012-13 financial year. All items raised by the external auditor during 2012-13 have either been resolved or management is currently in the process of taking corrective action.

The audited financial statements are on pages 23 to 55 of this report.

Record-keeping Practices

The Commission has adopted a "best practice" approach in satisfying legislative requirements under the *Public Records Act 2002* and Information Standards (IS31 and 40). Record-keeping is conducted in accordance with the Commission's Retention and Disposal Schedule, which has been approved by the Queensland State Archives. The schedule is the document responsible for defining the Electoral Commission of Queensland's records management.

During the 2012-13 financial year relevant Commission staff received training, with further training conducted by the Queensland State Archives scheduled for early 2013-14. The Commission is currently preparing, in liaison

with Queensland State Archives, to dispose of records in early 2013-14 as per the Commission's Retention and Disposal Schedule and the General Retention and Disposal Schedule.

A review of information management processes commenced in 2011-12 is ongoing with the scope of the review expanded in 2012-13 to include investigations into electronic records management systems for the purpose of transitioning from paper to digital in the future.

STATUTORY INFORMATION

Performance

	Notes	2012-13 Target/est.	2012-13 Est. actual	2013-14 Target/est.
Service Area: Electoral Services				
Service Standards				
Level of voter turnout State general election	1
Level of voter turnout Local Government elections	2, 3	New measure	New measure	80%
Level of informal voting State general election	1
Level of informal voting Local Government elections	2, 3	New measure	New measure	2.15%
Cost of State general election per elector	1
Cost of Local Government elections per elector	2, 3	New measure	New measure	..
State contribution (\$000)		43,312	19,110	22,703
Other revenue (\$000)		36	68	40
Total cost (\$000)		43,348	19,178	22,743

Notes:

1. There are no Queensland State general events scheduled for 2013-14.
2. During 2012-13 the Commission conducted six local government by-elections and four de-amalgamation polls. These measures represent an average of all these events.
3. Service standards reflect the Commission's new legislative responsibility for the management of Local Government elections.

Measures

The Commission's performance is measured through a number of mechanisms:

- performance measures provided in the Commission's Service Delivery Statement (SDS);
- a rigorous and robust internal audit function has been established with the results / findings tabled to the Commission's Audit and Risk Management Committee;
- statistical profiles are produced after every State General election. The purpose of compiling this data is to improve the quality of electoral services; and
- post-election surveying. Surveys are sent to a sample (sample size provided by the University of Queensland) of election participants, which includes political parties, candidates, voters and election staff. Results are used to gauge the Commission's performance and for planning / development.

Achievements

The major achievements of the Commission during 2012-13 included:

- finalisation of post-election processes including the evaluations of the conduct of the 2012 State General election, Quadrennial Local Government elections and the South Brisbane State by-election;
- conduct of the failure to vote processes associated with the 2012 State and local government elections, South Brisbane State by-election, local government by-elections and de-amalgamation polls;
- conduct of six local government by-elections and four de-amalgamation polls;
- continued delivery of the Commission's community awareness program to increase electors' awareness of their responsibilities towards enrolment and voting;
- conduct of 24 industrial elections, as well as nine protected action ballots as required under the *Industrial Relations Act 1999*;
- review of four references of local government matters received from the Minister for Local Government, Community Recovery and Resilience;
- conduct of two audits on candidate pre-selection processes;
- providing pre-poll voting assistance for five interstate electoral events to assist voters currently in Queensland;
- administration of political party registration requirements and funding and disclosure schemes including the finalisation of payments required under the election funding and administrative funding schemes; and
- management of the Queensland electoral roll which grew from 2.773 million in 2012 to 2.784 million electors in 2013.

Ethics

The Public Service Ethics Act 1994 highlights four principles that are fundamental to good public administration:

- integrity and impartiality;
- promoting the public good;
- commitment to the system of government; and
- accountability and transparency.

Procedures and practices have been formulated with reference to the ethics principles highlighted above and the Queensland Public Service Commission's Code of Conduct. The Commission is committed to applying the Public Service Ethics Act principles to future planning and in accordance with section 12K of the Public Service Ethics Act, provide Commission staff with education and training. Commission staff receive training at commencement and regular intervals with the last ethics session conducted in early 2012 and the next scheduled for the first half of the 2013-14 financial year.

CHIEF FINANCE OFFICER STATEMENT

CFO Statement to the Accountable Officer of Electoral Commission of Queensland For the financial year ended 30 June 2013

BACKGROUND

Section 77(2) (b) of the Financial Accountability Act 2009 requires that, for each financial year, the chief finance officer must give the accountable officer the annual financial statements mentioned in subsection (1)(b); and a statement about whether the financial internal controls of the department are operating efficiently, effectively and economically.

Division 2 Section 57 of the Financial and Performance Management Standard 2009 requires that a statement given under section 77(2)(b) of the Act must include-

- a) whether the financial records of the department have been properly maintained throughout the financial year in accordance with the prescribed requirements;
- b) whether the risk management and internal compliance and control systems of the department relating to financial management have been operating efficiently and effectively throughout the financial year;
- c) whether since the balance date there have been any changes that may have a material effect on the operation of the risk management and internal compliance and control systems of the department; if there have been any changes—details of the changes; and
- d) whether external service providers have given assurance about their controls.

CFO ASSESSMENT

The purpose of this statement is to provide an opinion based on my evaluation of the effectiveness of financial and operational controls and processes as required under the Financial Accountability Act 2009.

In the course of my assessment I have noted the following-

Financial Record Management

- In all material respects, financial information included in the annual statements is supported by appropriate financial records (including paper records and electronic records maintained to verify the accuracy and completeness of financial data).
- All paper financial records are stored centrally and securely under a formal record keeping system. Retention and disposal of paper records is undertaken in accordance with the General Retention and Disposal Schedule for Administrative Records (GDRS) released by the Queensland State Archives.
- Electronic financial records are maintained and are adequately secured. Appropriate backup and contingency plans are in place in respect of electronic financial records.

Financial Management Risks and Internal Controls

- In all material respects, financial management control systems including formal financial delegations, financial management policies, and system controls have operated effectively and efficiently throughout 2012-13.

- That the results of any reviews of ECQ operations performed by either internal or external audit have not disclosed any material errors, omissions or departures from ECQ financial management policies and guidelines.
- Certain key risk areas have been assessed during 2012-13 and prioritised based on factors including potential to cause material misstatement in financial statements, reputational risks, and risk to efficient and effective financial management outcomes.
- Key risk areas identified during 2012-13 include –
 - Funding and disclosure;
 - Inventory management (warehouse); and
 - Procurement processes.

a) Funding and disclosure

- During 2012-13 you engaged a contractor (Synexus Pty Ltd) to “check the overall extent of compliance of FAD with relevant legislative provisions, to review and evaluate the effectiveness of processes and practices that are in place to manage ECQ’s FAD function, to gauge the adequacy of the FAD education materials, and to examine whether or not the current FAD workforce model is appropriate to deliver the current FAD function”. No material issues were identified from the review.

b) Inventory management (warehouse)

- During 2012-13, an internal audit of ECQ’s Inventory management systems was performed to “obtain an understanding of the processes and practices that are in place to manage ECQ’s warehouse inventory as well as to check the extent of compliance with current policies and procedures relating to ECQ’s management of warehouse inventory”. Appropriate corrective action has now been taken by management to address all significant issues identified from the review.

c) Procurement processes

- During 2012-13, you engaged a contractor (Synexus Pty Ltd) to “obtain an understanding of the processes and practices that are in place to manage ECQ’s procurement as well as to check the extent of compliance with current policies and procedures relating to ECQ’s procurement”. At the time of issuance of this assurance statement some of the key internal audit findings identified from this review remain outstanding. None of the outstanding issues have the potential to cause material misstatement in the financial statements. To ensure timely resolution, all outstanding issues will continue to be monitored by the Audit and Risk Management Committee.

Post-Balance Date Events

- No matter or circumstance has arisen subsequent to reporting date that would have a material impact on the ECQ internal control systems or risk management processes.
- No circumstances have arisen subsequent to reporting date that would have a material impact on the ECQ financial position.

External service provider assurance

- For the 2012-13 year, a formal external service provider assurance statement was received from Queensland Shared Services (QSS) (in respect of corporate support services provided).
- The controls and processes adopted by the QSS are considered appropriate to the risks associated with the services provided.

Based on the results of my assessment of the financial and operational controls and processes for the period under review, it is my opinion that a reasonable assurance can be given that:

- The financial records of the ECQ have been properly maintained throughout the year;
- The financial statements for the period are fairly stated; and
- The ECQ has complied with appropriate regulatory and reporting requirements.

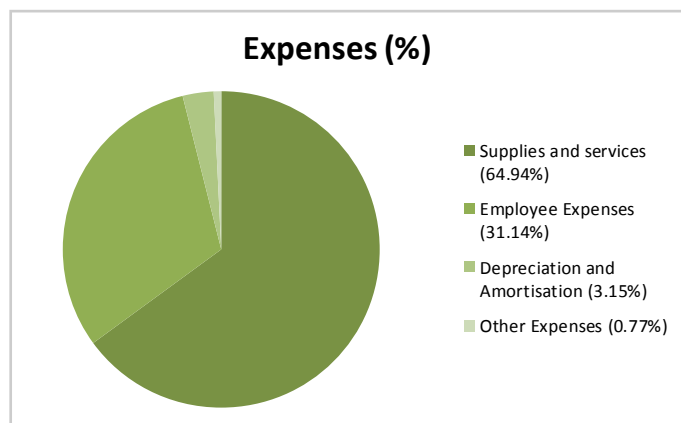


Richard Bosanquet CPA

Chief Finance Officer

20 August 2013

THE COMMISSION'S FINANCIAL POSITION

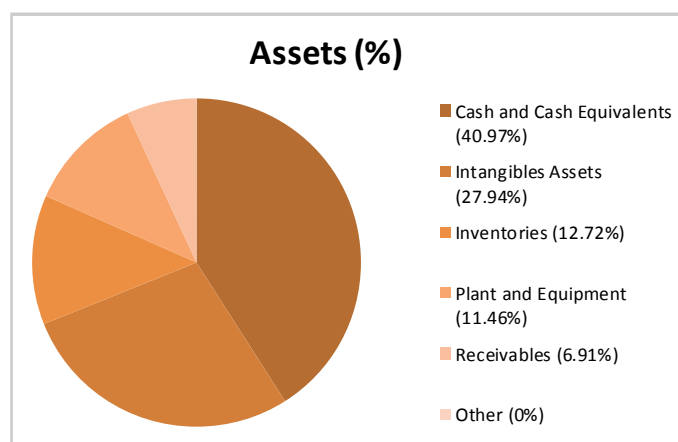


Expenses

The total operating expenses for 2012-13 were \$16.8 million, a decrease of \$45 million from the previous financial year. The decrease is attributable to the Commission returning to normal spend levels consistent with a non-election year. The largest expense category for 2012-13 was supplies and services totalling \$10.9 million and representing 65% of the total annual expenditure.

Assets

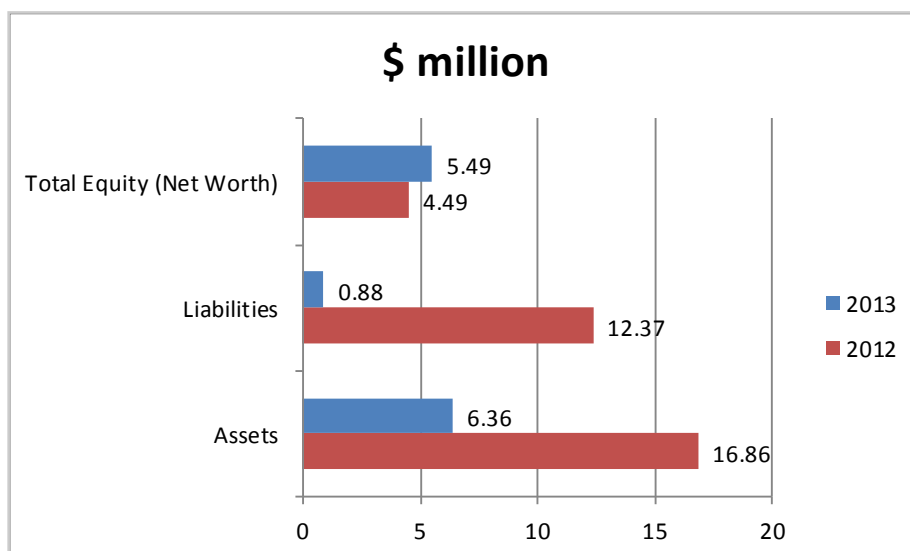
As at 30 June 2013, total assets reflected in the balance sheet were \$6.4 million. The change from 2011-12 is directly attributable to an appropriation receivable raised at year end to offset a liability for election funding owed at balance date.



Liabilities

Total liabilities as at 30 June 2013 were \$0.9 million. The large trade creditor balance in the prior year was due to a \$11.5 million year end accrual to cover election funding claims outstanding at 30 June.

The financial position provides an indication of the Commission's underlying financial health, or net worth, at 30 June 2013. This is reflected as a measure of equity as at financial year end. The Commission's assets at 30 June were \$6.4 million and liabilities \$0.9 million, resulting in net positive equity of \$5.5 million. The positive movement to the Commission's equity level from the previous financial year is the result of unspent capital funding that has been deferred to the 2013-14 financial year.

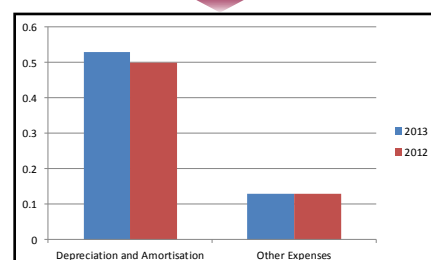
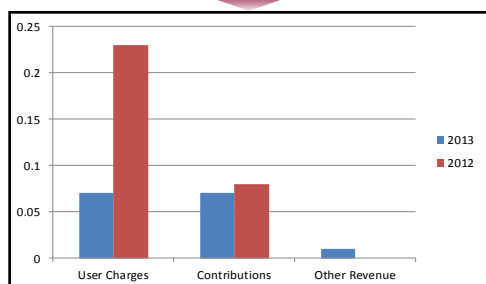
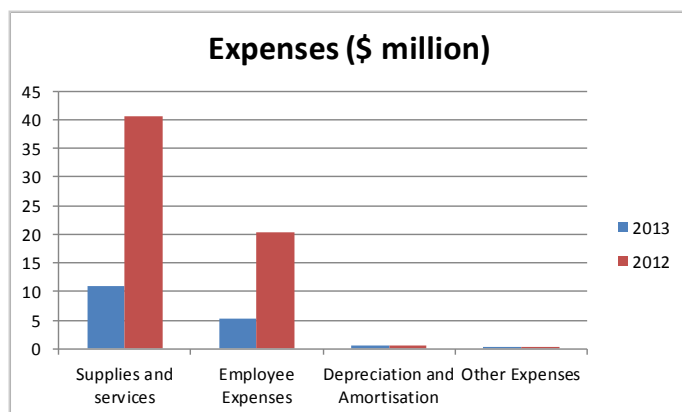
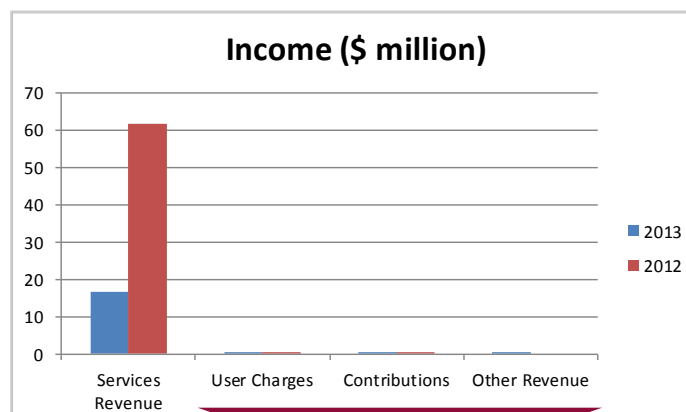


Financial performance

The Commission's Income Statement shows the total income for 2012-13 as \$16.8 million and expenditure as \$16.8 million.

Income (\$ million)	2013	2012
Services Revenue	16.69	61.43
User Charges	0.07	0.23
Contributions	0.07	0.08
Other Revenue	0.01	0.00
Total Income	16.84	61.74

Expenses (\$ million)	2013	2012
Supplies and Services	10.93	40.51
Employee Expenses	5.24	20.24
Depreciation and Amortisation	0.53	0.50
Other Expenses	0.13	0.13
Total Expenses	16.83	61.38



Income

The Commission is a budget funded agency with the significant majority of income (over 99% of total income this financial year) derived from appropriations from the Queensland Government. This financial year, the level of appropriations returned to normal levels consistent with a non-election year. The Commission also generates a small amount of income through user charges.

Electoral Commission of Queensland Financial Statements 2012-13

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General Information

These financial statements cover the Electoral Commission of Queensland, an independent statutory authority established on proclamation of the *Electoral Act 1992*.

The Electoral Commission of Queensland is a Public Service Office of the Queensland Government established under the *Public Service Act 2008*. For the purpose of the *Financial Accountability Act 2009*, the Commission is a Department.

The Commission is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Commission is:

Level 6
Forestry House
160 Mary Street
BRISBANE QLD 4000

A description of the nature of the Commission's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Commission's financial statements please call (07) 3035 8066, email richard.bosanquet@ecq.qld.gov.au or visit the Commission's internet site www.ecq.qld.gov.au.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

ELECTORAL COMMISSION OF QUEENSLAND
Statement of Comprehensive Income
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Income from Continuing Operations			
Departmental services revenue	2	16,694	61,427
User charges	3	67	231
Contributions	4	68	77
Other revenues	5	5	3
Total Revenue		16,834	61,738
Total Income from Continuing Operations		16,834	61,738
Expenses from Continuing Operations			
Employee expenses	6	5,235	20,242
Supplies and services	8	10,928	40,506
Depreciation and amortisation	9	532	499
Other expenses	10	128	132
Total Expenses from Continuing Operations		16,823	61,379
Operating Result from Continuing Operations		11	359
Other Comprehensive Income		-	-
Total Comprehensive Income		11	359

The accompanying notes form part of these statements.

ELECTORAL COMMISSION OF QUEENSLAND
Statement of Financial Position
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Current Assets			
Cash and cash equivalents	11	2,608	888
Receivables	12	442	12,814
Inventories	13	808	822
Other	14	2	88
Total Current Assets		3,860	14,612
Non-Current Assets			
Intangible assets	15	1,778	1,394
Plant and equipment	16	725	857
Total Non-Current Assets		2,503	2,251
Total Assets		6,363	16,863
Current Liabilities			
Payables	17	769	12,243
Accrued employee benefits	18	109	131
Total Current Liabilities		878	12,374
Total Liabilities		878	12,374
Net Assets		5,485	4,489
Equity			
Contributed equity		3,381	2,396
Accumulated surplus		2,104	2,093
Total Equity		5,485	4,489

The accompanying notes form part of these statements.

ELECTORAL COMMISSION OF QUEENSLAND
Statement of Changes in Equity
for the year ended 30 June 2013

	Accumulated Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2011	1,734	1,784	3,518
Operating Result from Continuing Operations	359	-	359
<i>Transactions with Owners as Owners:</i>			
- Appropriated equity injections (Note 2)	-	688	688
- Appropriated equity withdrawals (Note 2)	-	(76)	(76)
Balance as at 30 June 2012	2,093	2,396	4,489
Balance as at 1 July 2012	2,093	2,396	4,489
Operating Result from Continuing Operations	11	-	11
<i>Transactions with Owners as Owners:</i>			
- Appropriated equity injections (Note 2)	-	1,061	1,061
- Appropriated equity withdrawals (Note 2)	-	(76)	(76)
Balance as at 30 June 2013	2,104	3,381	5,485

The accompanying notes form part of these statements.

ELECTORAL COMMISSION OF QUEENSLAND
Statement of Cash Flows
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Departmental services receipts		28,572	49,470
User charges		487	243
GST input tax credits from ATO		1,145	1,605
Other		5	3
<i>Outflows:</i>			
Employee expenses		(5,428)	(20,257)
Supplies and services		(22,302)	(29,186)
GST paid to suppliers		(900)	(2,202)
Other		(58)	(54)
Net cash provided by (used in) operating activities	19	<u>1,521</u>	<u>(378)</u>
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for plant and equipment		(133)	(330)
Payments for intangibles		(653)	(275)
Net cash provided by (used in) investing activities		<u>(786)</u>	<u>(605)</u>
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		1,061	688
<i>Outflows:</i>			
Equity withdrawals		(76)	(76)
Net cash provided by (used in) financing activities		<u>985</u>	<u>612</u>
Net increase (decrease) in cash and cash equivalents		1,720	(371)
Cash and cash equivalents at beginning of financial year		888	1,259
Cash and cash equivalents at end of financial year	11	<u>2,608</u>	<u>888</u>

The accompanying notes form part of these statements.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

	Objectives and Principal Activities of the Commission
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ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

Objectives and Principal Activities of the Commission

The objective of the Electoral Commission of Queensland is to maintain the integrity of Queensland's electoral system.

The key strategic objectives of the commission are to:

- impartially administer Queensland's electoral laws;
- conduct free and democratic parliamentary, local government and industry elections;
- manage a comprehensive process for the independent review of local government boundaries; and
- promote the informed participation and confidence of Queenslanders in the electoral system.

The commission is predominantly funded for the services it delivers by Parliamentary appropriations. It also provides the following services on a fee for service basis:

- Sale of electoral products and materials; and
- Electoral roll scanning services.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Electoral Commission of Queensland has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the commission has applied those requirements applicable to not-for-profit entities, as the commission is a not-for-profit entity. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the commission. The commission does not control any other entities.

(c) Administered Transactions and Balances

The commission administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the commission's objectives.

Administered transactions and balances are disclosed in Note 25. These transactions and balances are not significant in comparison to the commission's overall financial performance/financial position.

(d) Departmental Services Revenue/Administered Revenue

Appropriations provided under the Annual Appropriation Act are recognised as revenue when received.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(e) User Charges and Fines

User charges and fees controlled by the commission are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the commission where they can be deployed for the achievement of the commission's objectives.

Fines and forfeitures collected, but not controlled, by the commission are reported as administered revenue. Refer to Note 25.

The commission recovers costs from Councils associated with the administration and conduct of Local Government elections. These recovered costs are shown as administered revenues and are to be returned to the government.

(f) Contributions

Contributions that are non-reciprocal in nature are recognised as revenue in the year in which the commission obtains control over them.

Contributed assets are recognised at their fair value. 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.

(g) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

(h) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June.

Other debtors generally arise from transactions outside the usual operating activities of the commission and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained. Amounts receivable recognised in accordance with s225(6) of the *Electoral Act 1992* hold terms of repayment of 60 days after the day for the return of the writ for the election.

(i) Inventories

inventories held for distribution are those inventories that the commission distributes for no or nominal consideration. These consist of materials purchased for elections. Inventories held for distribution are measured at cost adjusted, where applicable, for any loss of service potential.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(j) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland department (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation. The commission did not receive any assets free of charge from another Queensland department.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*. The commission did not acquire any assets at no cost or for nominal consideration from another Queensland Government entity.

(k) Plant and Equipment

Items of plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

Plant and equipment, is measured at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies.

(l) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the commission. The residual value is zero for all the commission's intangible assets.

It has been determined that there is not an active market for any of the commission's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Internally Generated Software

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the commission.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(m) Amortisation and Depreciation of Intangibles and Plant and Equipment

All intangible assets of the commission have finite useful lives and are amortised on a straight line basis.

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the commission.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant class.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the commission.

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rate %
Plant and equipment:	
Computer equipment	20 - 33
Office equipment	20
Furniture	14
Leasehold improvements	10 - 20
Other	10 - 33
Intangible assets:	
Software internally generated	10

(n) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the commission determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(o) Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

The commission does not have any finance leases.

(p) Payables

Trade creditors are recognised upon receipt of the goods and services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(q) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the commission becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

The commission does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the commission holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the commission are included in note 23.

(r) Employee Benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(r) Employee Benefits (cont'd)

Annual Leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for the Commission. Under this scheme, a levy is made on the commission to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

No provision for annual leave is recognised in the commission's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Long Service Leave

Under the Queensland Government's long service leave scheme, a levy is made on the commission to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the commission's financial statements, the liability being held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The commission's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key management personnel and remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 7 for the disclosures on key management personnel and remuneration.

(s) Major Services of the Commission

The commission undertakes only one service which is Electoral Services. All transactions relate to this service.

Electoral services provided by the commission are outlined in section 7(1)-(4) of the *Electoral Act 1992* (the Act) and section 8 of the *Local Government Election Act 2011* include: the conduct of Parliamentary and Local Government elections and by-elections; electoral redistributions; promotion of public awareness of electoral matters; research into electoral and related matters; providing information and advice to all areas of government; maintaining the integrity of the Queensland electoral roll; administering the funding and disclosure provisions of the Act; and the registration of political parties.

(t) Insurance

The commission's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the commission pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(u) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(v) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

The commission did not have any changes to contributed equity resulting from machinery-of-Government changes for 2013.

(w) Taxation

The commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the commission. GST credits receivable from, and GST payable to the ATO, are recognised (refer note 12).

(x) Issuance of Financial Statements

The financial statements are authorised for issue by the Acting Electoral Commissioner and the Director, Business Services at the date of signing the Management Certificate.

(y) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

The commission has made judgements and assumptions when determining the depreciation and amortisation rates disclosed in note 1(m). These rates impact on depreciation expense and valuations of plant and equipment and intangible assets.

The Australian government passed its *Clean Energy Act* in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It will be preceded by a three-year period during which the price of permits will be fixed at \$23 per tonne or carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.

Section 4.3.4 of Queensland Treasury and Trade's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on the commission's critical accounting estimates, assumptions and management judgements.

(z) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(aa) New and Revised Accounting Standards

The commission did not voluntarily change any of its accounting policies during 2012-13. Those new and amended Australian Accounting Standards that were applicable for the first time in the 2012-13 financial year had minimal effect on the Electoral Commission of Queensland's financial statements.

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049) became effective from reporting periods beginning on or after 1 July 2012. The only impact for the commission is that, in the Statement of Comprehensive Income, items within the 'Other Comprehensive Income' section are now presented in different sub-sections, according to whether or not they are subsequently classifiable to the operating result. Whether subsequent reclassification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

The commission is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the commission has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The commission applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 13 Fair Value Measurement applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Electoral Commission of Queensland's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

The Electoral Commission of Queensland has commenced reviewing its fair value methodologies for all items of plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies do not comply, changes will be necessary. No substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the commission's plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the commission, the amount of information to be disclosed will be relatively greater.

A revised version of *AASB 119 Employee Benefits* applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. Given the Electoral Commission of Queensland's circumstances, the only implications for the commission are that the revised standard clarifies the concept of 'termination benefits' and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the Electoral Commission of Queensland is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the commission's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Electoral Commission of Queensland makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the commission.

AASB 1053 Application of Tiers of Australian Accounting Standards applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements - Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(aa) New and Revised Accounting Standards (cont'd)

Details of which disclosures in standards and interpretations are not required under Tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Queensland Treasury and Trade's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the Electoral Commission of Queensland may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the Electoral Commission of Queensland, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments (including the Electoral Commission of Queensland) and statutory bodies that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Electoral Commission of Queensland.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 -

- * AASB 10 *Consolidated Financial Statements;*
- * AASB 11 *Joint Arrangements;*
- * AASB 12 *Disclosure of Interests in Other Entities;*
- * AASB 127 *(revised) Separate Financial Statements;*
- * AASB 128 *(revised) Investments in Associates and Joint Ventures; and*
- * AASB 2011 -7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*

The AASB is planning to amend AASB 10. Such amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, the Electoral Commission of Queensland is not yet in a position to reliably determine the future implications of these new and revised standards for the commission's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, once the AASB finalises its not-for-profit amendments to AASB 10, the Electoral Commission of Queensland will need to reassess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, the Electoral Commission of Queensland will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. If a joint arrangement does exist, the Electoral Commission of Queensland will need to follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. From that date, based on what is currently published in the Queensland Government's Budgetary Service Delivery Statements, this means the Electoral Commission of Queensland will need to include in these financial statements the original budgeted statements for the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. These budgeted statements will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial statement.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

(aa) New and Revised Accounting Standards (cont'd)

In addition, based on what is currently published in the Queensland Government's Service Delivery Statements, the commission will need to include in these financial statements the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

AASB 9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] become effective from reporting periods beginning on or after 1 January 2015. The main impacts of these standards on the Electoral Commission of Queensland are that they will change the requirements for the classification, measurement and disclosures associated with the commission's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Electoral Commission of Queensland has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the commission's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Electoral Commission of Queensland enters into, it is not expected that any of the commission's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from 2015-16 financial statements, all of the commission's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Note 1(q), 23). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the commission's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The Electoral Commission of Queensland will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2015-16. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2015-16 financial statements to explain the impact of adopting AASB 9.

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to the Electoral Commission of Queensland's activities, or have no material impact on the commission.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

	2013 \$'000	2012 \$'000
2. Reconciliation of Payments from Consolidated Fund to Departmental Services Revenue Recognised in Statement of Comprehensive Income		
Budgeted Departmental services appropriation	55,270	85,170
Lapsed Departmental services appropriation	(26,698)	(35,700)
Total Departmental services receipts	28,572	49,470
Less: Opening balance of Departmental services appropriation receivable	(11,957)	-
Plus: Closing balance of Departmental services appropriation receivable	79	11,957
Departmental services revenue recognised in Statement of Comprehensive Income	16,694	61,427
Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity		
Budgeted equity adjustment appropriation	1,823	1,778
Lapsed equity adjustment	(838)	(1,166)
Equity adjustment recognised in Contributed Equity	985	612
3. User Charges		
Electoral services and materials	67	231
Total	67	231
4. Contributions		
Services received at below fair value	68	77
Total	68	77
5. Other Revenues		
Sale of Portable & Attractive Items	5	3
Total	5	3

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

	2013	2012
	\$'000	\$'000
6. Employee Expenses		
Employee Benefits		
Wages and salaries	3,658	4,759
Election wages, polling officials and returning officers fees and allowance	324	12,765
Employer superannuation contributions*	488	1,357
Long service leave levy*	83	107
Annual leave levy*	349	346
Other employee benefits	77	19
Employee Related Expenses		
Workers' compensation premium*	8	55
Payroll tax*	213	792
Other employee related expenses	35	42
Total	5,235	20,242

* Refer note 1(r).

Total employee expenses incurred for Local Government By-elections in 2012-13 were \$0.313 million and for non voter processing were \$0.226 million.

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	2013	2012
Number of Employees:	42	45

The commission engages casual employees on an "as need basis" and during the 2012-13 financial year the number of casual employees engaged were 15 (2012:259).

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

7. Key Management Personnel and Remuneration

(a) Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2012-13. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position
Electoral Commissioner	The Electoral Commissioner is responsible for the running of the Electoral Commission of Queensland, an independent statutory authority established under the <i>Electoral Act 1992</i> to administer the electoral laws of Queensland in an efficient, effective and economical manner thus ensuring the conduct and administration of elections are not influenced by political considerations.	CEO/Electoral Act 1992	Acting from 29th April 2013 Appointed 22nd May 2006 (ceased 26th April 2013)
Assistant Commissioner Elections and Operations (formerly Executive Director Elections Management)	To lead the Elections Operations and Planning area by providing quality electoral services to clients throughout Queensland and at all times remaining politically neutral.	SES2/Public Service Act 2008	22nd May 2010
Director Election Funding and Disclosure	To lead the Funding and Disclosure Unit by ensuring the Electoral Commission of Queensland complies with the responsibilities and obligations relating to the electoral funding and disclosure matters prescribed in the <i>Electoral Act 1992</i> , as well as perform the legislated responsibilities of the Chief Finance Officer for the Commission.	SO/Public Service Act 2008	Acting from 29th January 2013 Appointed 28th July 2011
Acting Director Business Services	To lead the Business Services Branch in the management and coordination of all election support operations of the Electoral Commission of Queensland.	SO/Public Service Act 2008	Acting from 17th January 2011 (ceased 31st July 2012)

7. Key Management Personnel and Remuneration (cont'd)

(b) Remuneration

Remuneration policy for the agency's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*, with the exception of the Electoral Commissioner who is appointed under the *Electoral Act 1992*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts provide for the provision of benefits including motor vehicles.

For the 2012-13 year, remuneration of key management personnel increased by 2.2% in accordance with government policy for SES and SO officers.

Remuneration packages for key management personnel comprise the following components:-

- Short term employee benefits which include:
 - Base - consisting of base salary, allowances and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - Non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include amounts expensed in respect of long service leave.
- Post employment benefits include amounts expensed in respect of employer superannuation obligations.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

Performance bonuses are not paid under the contracts in place.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

7. Key Management Personnel and Remuneration (cont'd)

1 July 2012 - 30 June 2013

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Acting Electoral Commissioner - 29 Apr 13 to 30 Jun 13	42	-	1	3	-	46
Electoral Commissioner - 1 Jul 12 to 26 Apr 13	282	-	4	28	61	375
Assistant Commissioner Elections and Operations - 1 Jul 12 to 26 Apr 13	168	-	3	17	-	188
Acting Director Election Funding and Disclosure - 29 Jan 13 to 30 Jun 13	56	-	1	6	-	63
Director Election Funding and Disclosure - 1 Jul 12 to 25 Jan 13	87	-	2	15	-	104
Acting Director Business Services - 1 Jul 12 to 31 Jul 12	11	-	-	1	-	12

1 July 2011 - 30 June 2012

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Electoral Commissioner - 1 Jul 11 to 30 Jun 12	231	-	4	24	-	259
Executive Director Elections Management - 1 Jul 11 to 30 Jun 12	179	-	3	19	-	201
Director Election Funding and Disclosure - 28 Jul 11 to 30 Jun 12	135	-	2	16	-	153
Acting Director Business Services - 1 Jul 11 to 30 Jun 12	131	-	3	12	-	146

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

	2013	2012
	\$'000	\$'000
8. Supplies and Services		
Computer processing costs	783	1,013
Consultants and contractors	1,156	2,802
Election expense	2,755	25,061
Freight & Cartage	59	996
Information and awareness campaigns	126	1,689
Joint roll arrangement	2,373	2,325
Legal fees	259	256
Motor vehicle	44	429
Portable & Attractive Equipment	156	410
Printing and postage	849	1,989
Property tenancy and maintenance	1,201	1,593
Subscriptions	3	6
Telephone	281	516
Travel	57	151
Shared services agency charges	379	279
Accommodation fitout repairs	36	38
Other	411	953
Total	10,928	40,506

Total supplies and services incurred in 2012-13 financial year for Local Government By-elections were \$0.410 million and for non voter processing were \$1.605 million.

9. Depreciation and Amortisation

Depreciation and amortisation were incurred in respect of:

Plant and equipment	263	258
Software internally generated	269	241
Total	532	499

10. Other Expenses

Insurance premiums - QGIF	17	15
External audit fees *	41	39
Losses from disposal of plant and equipment	2	1
Services received at below fair value	68	77
Total	128	132

* Total audit fees paid to the Queensland Audit Office relating to the 2012-13 financial statements are estimated to be \$38,500 (2012: \$38,500). There are no non-audit services included in this amount.

11. Cash and Cash Equivalents

Imprest accounts	1	5
Cash at bank	2,607	883
Total	2,608	888

Commission's bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

	2013 \$'000	2012 \$'000
12. Receivables		
Trade debtors	96	448
	<u>96</u>	<u>448</u>
GST receivable	67	311
Annual leave reimbursements	98	25
Long service leave reimbursements	98	-
Departmental services revenue receivable	79	11,958
Other	4	72
Total	<u>442</u>	<u>12,814</u>

13. Inventories

Inventories held for distribution - at cost *	808	822
Total	<u>808</u>	<u>822</u>

* Refer to note 24 regarding correction of the prior year inventory balance.

14. Other Current Assets

Prepayments	2	88
Total	<u>2</u>	<u>88</u>

15. Intangible Assets

Software internally generated:		
At cost	2,383	2,382
Less: Accumulated amortisation	(1,258)	(988)
	<u>1,125</u>	<u>1,394</u>
Software WIP:		
At cost	653	-
	<u>653</u>	<u>-</u>
Total	<u>1,778</u>	<u>1,394</u>

Intangibles Reconciliation

	Software Internally Generated		Software WIP		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Carrying amount at 1 July	1,394	1,380	-	-	1,394	1,360
Acquisitions	-	275	653	-	653	275
Amortisation	(269)	(241)	-	-	(269)	(241)
Carrying amount at 30 June	<u>1,125</u>	<u>1,394</u>	<u>653</u>	<u>-</u>	<u>1,778</u>	<u>1,394</u>

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

	2013	2012
	\$'000	\$'000
16. Plant and Equipment		
Plant and equipment:		
At cost	1,886	1,796
Less: Accumulated depreciation	(1,161)	(939)
Total	725	857

The commission has leasehold improvements with an original cost of \$230,000 and a written down value of zero still being used in the provision of services.

The commission has plant and equipment with an original cost of \$366,000 that has been written down to a residual value of \$18,000 still being used in the provision of services. These assets are still in good condition and are anticipated to be replaced within the next financial year.

Plant and Equipment Reconciliation

	Plant and Equipment	Total
	2012	2012
	\$'000	\$'000
Carrying amount at 1 July 2011	786	786
Acquisitions	330	330
Disposals	(1)	(1)
Depreciation	(258)	(258)
Carrying amount at 30 June 2012	857	857
	2013	2013
	\$'000	\$'000
Carrying amount at 1 July 2012	857	857
Acquisitions	133	133
Disposals	(2)	(2)
Depreciation	(263)	(263)
Carrying amount at 30 June 2013	725	725

	2013	2012
	\$'000	\$'000
17. Payables		
Trade creditors	683	11,443
Refunds to candidates	35	209
Other	51	591
Total	769	12,243

18. Accrued Employee Benefits

Annual leave levy payable	88	92
Long service leave levy payable	21	39
Total	109	131

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

	2013 \$'000	2012 \$'000
19. Reconciliation of Operating Surplus to Net Cash from Operating Activities		
Operating surplus/(deficit)	11	359
Depreciation and amortisation expense	532	499
Loss on disposal of plant and equipment	2	1
Change in assets and liabilities:		
(Increase)/decrease in departmental services revenue receivable	11,879	(11,958)
(Increase)/decrease in trade receivables	352	(343)
(Increase)/decrease in GST input tax credits receivable	244	(172)
(Increase)/decrease in LSL reimbursement receivables	(98)	17
(Increase)/decrease in annual leave reimbursement receivables	(73)	18
(Increase)/decrease in other receivables	68	(71)
(Increase)/decrease in inventories	14	(381)
(Increase)/decrease in prepayments	86	(16)
Increase/(decrease) in accounts payable	(11,474)	11,717
Increase/(decrease) in accrued employee benefits	(22)	(48)
Net cash from operating activities	1,521	(378)

20. Commitments for Expenditure

(a) Non-Cancellable Operating Lease

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	1,130	1,294
Later than one year and not later than five years	4,044	5,440
Total	5,174	6,734

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

21. Contingencies

(a) Litigations in progress

There were no cases filed naming the Electoral Commission of Queensland as defendant at 30 June 2013.

(b) Financial Guarantees

The Electoral Commission of Queensland had not committed to any guarantees or undertakings at 30 June 2013.

22. Events Occurring after Balance Date

In July 2013, the Electoral Commission of Queensland entered into a Deed of Agreement to lease a new warehouse facility. The term of the lease is seven years with a three year option. The annual rent is \$245,000 and is subject to annual indexation of 3%. The commission is 100% liable for all outgoings for the entire life of the lease.

23. Financial Instruments

(a) Categorisation of Financial Instruments

The commission has the following categories of financial assets and financial liabilities:

Category	Note	2013 \$'000	2012 \$'000
Financial Assets			
Cash and cash equivalents	11	2,608	888
Receivables	12	442	12,814
Total		3,050	13,702
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	17	769	12,243
Total		769	12,243

(b) Financial Risk Management

The Electoral Commission of Queensland's activities expose it to a variety of financial risks - credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and the Electoral Commission of Queensland's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the commission.

All financial risk is managed by the Accounting and Reporting Division under policies approved by the commission. The commission provides written principles for overall risk management, as well as policies covering specific areas.

The Electoral Commission of Queensland measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

23. Financial Instruments (cont'd)

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the commission may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

Financial Assets

The carrying amount of receivables represents the maximum exposure to credit risk.

No collateral is held as security and no credit enhancements relate to financial assets held by the commission.

The commission manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the commission invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any provision for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. The main factors affecting the current calculation for provisions are disclosed as loss events. These economic and geographic changes form part of the commission's documented risk analysis assessment in conjunction with historic experience and associated industry data.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2013 Financial Assets Past Due But Not Impaired

	Overdue				Total \$'000
	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days	
	\$'000	\$'000	\$'000	\$'000	
Receivables	93	-	-	2	95
Total	93	-	-	2	95

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

23. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

2012 Financial Assets Past Due But Not Impaired

	Overdue				Total \$'000
	Less than 30 Days \$'000	30-60 Days \$'000	61-90 Days \$'000	More than 90 Days \$'000	
Receivables	72	-	-	10	82
Total	72	-	-	10	82

2013 Individually Impaired Financial Assets

	Overdue				Total \$'000
	Less than 30 Days \$'000	30-60 Days \$'000	61-90 Days \$'000	More than 90 Days \$'000	
Receivables (gross)	-	-	-	-	-
Allowance for Impairment	-	-	-	-	-
Carrying Amount	-	-	-	-	-

2012 Individually Impaired Financial Assets

	Overdue				Total \$'000
	Less than 30 Days \$'000	30-60 Days \$'000	61-90 Days \$'000	More than 90 Days \$'000	
Receivables (gross)	-	-	-	-	-
Allowance for Impairment	-	-	-	-	-
Carrying Amount	-	-	-	-	-

Financial Liabilities

The Electoral Commission of Queensland has no financial liabilities that have credit risk exposure in this reporting period.

(d) Liquidity Risk

Liquidity risk refers to the situation where the commission may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The commission is exposed to liquidity risk in respect of its payables.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

23. Financial Instruments (cont'd)

(d) Liquidity Risk (cont'd)

The commission manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the commission has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the commission. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

	Note	2013 Payable in			Total
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	\$'000
Financial Liabilities					
Payables	17	769	-	-	769
Total		769	-	-	769

	Note	2012 Payable in			Total
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	\$'000
Financial Liabilities					
Payables	17	12,243	-	-	12,243
Total		12,243	-	-	12,243

(e) Interest Rate Sensitivity Analysis

The commission is not subject to interest rate sensitivity as its bank accounts are non-interest bearing. In addition, the commission has no borrowings.

(f) Fair Value

The fair value of trade receivables and payables approximates the value of the original transaction, less any allowance for impairment.

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2012-13

24. Correction of Error

Due to the conduct of the State General Election and Quadrennial Local Government Elections in March-April 2012, not all commission inventories held for distribution had been returned from Returning Officers at balance date and were therefore not included in 2011-12 financial year inventories balance. This error had the effect of understating inventories and overstating supplies and services by \$359,000 for the 2011-12 financial year. The error also had the effect of understating the accumulated surplus, total equity and the operating result by \$359,000 for the 2011-12 financial year. The error has been corrected by restating each of the affected financial statement line items for the prior year, as described above.

25. Schedule of Administered Items

	2013	2012
	\$'000	\$'000
Administered Revenues		
Revenue from local councils	1,111	12,968
Fines and forfeitures*	5,011	23
Total Revenue	6,122	12,991
Administered Expenses		
Transfers to government	6,122	12,991
Total Expense	6,122	12,991
Administered Assets		
Current Assets		
Cash and cash equivalents	-	778
Receivables	44	12,193
Total Current Assets	44	12,971
Administered Liabilities		
Current Liabilities		
Transfers to government payable	44	12,971
Total Current Liabilities	44	12,971

* Fines and forfeitures mainly consist of non voter fines made in the course of Local Government and State General elections held in 2011-12.

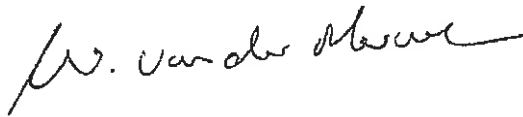
CERTIFICATE OF THE ELECTORAL COMMISSION OF QUEENSLAND

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Electoral Commission of Queensland for the financial year ended 30 June 2013 and of the financial position of the Commission at the end of that year.



Richard Bosanquet CPA
Director, Business Services



Walter van der Merwe
Acting Electoral Commissioner

Date 20 August 2013

Date 20 August 2013

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Electoral Commission of Queensland

Report on the Financial Report

I have audited the accompanying financial report of the Electoral Commission of Queensland, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Acting Electoral Commissioner and Director Business Services.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of *Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

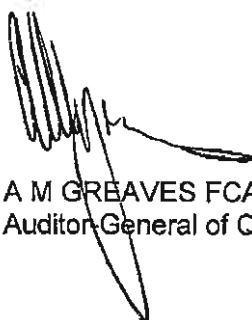
Opinion

In accordance with s.40 of the *Auditor-General Act 2009*:

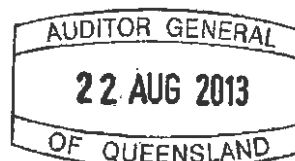
- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Electoral Commission of Queensland for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



A M GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane

FEEDBACK FORM

The Electoral Commission of Queensland's Annual Report 2012-13 provides an account of its financial and non-financial performance during the year.

To improve the Commission's annual reporting, readers are invited to provide feedback on the attached survey.

Responses can be:

faxed to: (07) 3229 7391
scanned and emailed to: ecq@ecq.qld.gov.au
posted to: Electoral Commission of Queensland
GPO Box 1393
BRISBANE QLD 4001

Content

Presentation and Design

☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor

Ease of Navigation

☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor

Ease of Readability

☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor

Value of Information

☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor

Level of Detail Provided

☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor

Suggestions for Improvement

Category of Reader

<input type="checkbox"/> Industry Organisation	<input type="checkbox"/> Community Organisation
<input type="checkbox"/> General Public	<input type="checkbox"/> Political Organisation
<input type="checkbox"/> Member of Parliament	<input type="checkbox"/> Government Department

Thank you for completing this survey



ELECTORAL COMMISSION
QUEENSLAND

Electoral Commission of Queensland

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