

Annual Report

2017 - 2018

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Annual Report

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

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File number: CIM/000002

29 August 2018

The Honourable Yvette D'Ath MP
Attorney-General and Minister for Justice
Leader of the House
1 William Street
BRISBANE QLD 4000



Dear Attorney-General

I am pleased to submit for presentation to the Parliament the Annual Report 2017–2018 and financial statements for the Electoral Commission of Queensland.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Electoral Act 1992*, *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 found on page 83 of this annual report.

Yours sincerely

Pat Vidgen PSM FGIA
Acting Electoral Commissioner

Electoral Commissioner's Foreword

The delivery of fair and independent elections is fundamental to democratic systems of government. Various state laws authorise the Electoral Commission of Queensland (the Commission) to plan, deliver and report on electoral processes in Queensland. The community should feel confident that the Commission has successfully and professionally fulfilled its statutory requirements in the past 12 months, which has proven to be one of the busiest reporting periods on record. I was honoured to commence in the role of Acting Commissioner on 18 May 2018 following the resignation of the former Commissioner earlier in the year. My first and ongoing impression of the Commission is the high level of dedication continually displayed by staff.

It has been a year of big achievements for the Commission - relocating to new headquarters, facilitating a record number of local government by-elections, implementing new state electoral boundaries, managing the 2017 State General Election and developing a new election management system. With the issuing of the writ for the State General Election on 29 October 2017, a new era began with 93 electoral districts coming into effect, a historic milestone for Queensland. In preparation of polling day on 25 November 2017, the Commission, with the benefit of learnings from the Inquiry Report 'A review of the conduct of the 2016 local government elections, the referendum and Toowoomba South by-election' (the Panel Review), prepared and executed detailed project plans for each discrete component of the election. Key highlights of the election were:

- Record number of enrolled electors - 3,229,536
- Pre-poll and postal voting continuing to be popular with over 35% of all votes cast in this manner before polling day
- Record number of candidates at 453, with female candidates up 10% to 143
- 10,907 polling booth officials working across 1,256 polling booths.

Stakeholder satisfaction with the performance of the Commission across electors, candidates and officials was 80% positive. This was in no small part due to our temporary workforce of polling booth officials who did an incredible job in the lead-up to, and on polling day. Without their commitment, the Commission simply could not have delivered the State General Election as well as it did. In addition to the successful conduct of the State General Election, the Commission delivered 20 local government by-elections to elect 17 Councillors and three Mayors. Fifty industrial elections were also conducted in accordance with the *Industrial Relations Act 2016*; an average of almost six elections per month.

The year ahead for the Commission is an exciting one. Over the next 12 months, we will implement a range of initiatives which will better reflect an outward-facing, responsive Commission, our unified and collective aim being to ensure that our stakeholders and, most importantly, the Queensland community, continue to have faith and trust in the integrity of our organisation. Upon commencement of the relevant provisions of the *Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act 2018*, the Commission will administer and provide guidance on the new Prohibited Donors Scheme (the ban on property developers making political donations). An active partnership approach is being adopted to ensure all interested groups are well informed of the new requirements.

The Local Government Change Commission (LGCC) will also form to assess any local government boundary changes required ahead of the local government quadrennial elections in 2020. A broad consultation and engagement program is being developed alongside the review. The Commission is in the development phase of its new election management system which will be operational for the 2020 local and state government elections. The new system will:

- enhance customer choice through better information systems which improve the voting experience;
- provide a platform for more effective data gathering and analysis to promote efficiencies;
- enhance the integrity and security of election data; and
- provide a flexible foundation for the innovative use of technology in the future.

A priority of the Commission over the next 12 months is to develop and implement a new communication and engagement strategy. An important function of the Commission is to promote public awareness of electoral matters and encourage people to enrol and vote. The new strategy will specifically address these priorities and include a revamped website to better facilitate two-way communication between the Commission and its stakeholders.

The Queensland Parliament has provided certainty in planning for the Commission through fixed election dates for local and state government elections. This certainty will allow us to streamline preparations so that electoral events continue to meet the high standards expected from the community and candidates. The above initiatives and the continuing dedication of the Commission's staff to modernisation and business improvements, give me a high level of confidence that the year ahead will set the stage for success as we plan for the two major electoral events in 2020.



Pat Vidgen PSM FGIA

Acting Electoral Commissioner of Queensland



About Us

Who we are

The Electoral Commission of Queensland (the Commission) is an independent statutory authority established under the *Electoral Act 1992* (the Electoral Act), with functions specified in the Electoral Act and other legislation such as the *Local Government Electoral Act 2011* and the *Referendums Act 1997*. However, the Commission is considered a department for the purposes of the *Financial Accountability Act 2009*.

The Commission contributes to the Queensland Government objectives for the community by delivering quality frontline services in the form of open, accountable and accessible election-related services for all Queenslanders.

The Electoral Commissioner is appointed in accordance with Division 2 of the Electoral Act; all other staff of the Commission are appointed under the *Public Service Act 2008*.

Our vision

To be an evolving Commission, trusted and respected by the community.

Our purpose

Supporting democratic electoral process by preparing for, conducting and reporting on elections in Queensland.

Our values

The Commission upholds the Queensland public service values.



Customers first

- Know your customer
- Deliver what matters
- Make decisions with empathy



Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries



Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback



Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency



Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

About Us

Our objectives

Promote awareness of and participation in electoral matters

Strategies:

- develop a targeted and coordinated Communication strategy;
- deliver robust and evolving community awareness program; and
- build the ECQ's brand in running Queensland elections.

Ensure equitable representation across Queensland electoral boundaries

Strategies:

- timely and informed execution of electoral boundary reviews;
- conduct boundary reviews with transparency, integrity and accountability; and
- refine and enhance our relationship with Australian Electoral Commission (AEC).

Deliver fair and just Queensland Elections

Strategies:

- elections conducted in a transparent and accountable manner;
- deliver results in an accurate and timely manner;
- deliver objective reviews of major events; and
- build a skilled and diverse workforce that meets current and future service delivery needs.

Drive improvements to election services

Strategies:

- continual improvement of service delivery;
- easy access to electoral services;
- implement comprehensive business and event planning and performance review;
- respond to the needs of the community;
- foster an innovative culture; and
- participate in electoral reform.

Our risks

The risks faced by the Commission in performing the above objectives were:

- **Ensure registered political parties and candidates comply with funding and disclosure legislation.**

This risk was addressed by conducting training for candidates and engaging with registered political parties and candidates to ensure they had an extensive understanding of their obligations under funding and disclosure legislation.

Significant support continues to be provided to those who are required to use the Electronic Disclosure System (EDS) for real-time disclosures. This support is provided via the Commission's online handbooks, on the EDS 'help & support' page, and via email and telephone engagement.

- **Attract and retain skilled and experienced staff to ensure effective delivery.**

The Commission placed a growing emphasis on risk management with the appointment of a Chief Risk Officer and the establishment of a leadership forum to ensure accountability at all levels of the organisation.

All vacant positions within the Commission are filled using a merit-based process with targeted training continuing through performance development agreements.

- **Increase the use of emerging technologies and online platforms.**

This risk was addressed over the course of delivering a successful State General Election, and a historic number of local government by-elections. The by-elections provided the Commission with an opportunity to further test and refine its innovative combination of electronic certified lists (ECLs) and the direct mail-out of a voter information card (VIC). The VIC raised awareness of electoral events and allowed for faster mark-off at the polling booth.

The numerous local government by-elections also provided many opportunities for the Commission to engage directly with electors through its expanded use of social media. This allowed the Commission to raise community awareness of electoral events, election milestones and outcomes; identify and respond to issues being experienced by electors; and identify opportunities for improved service delivery.

About Us

Office relocation

Upon being advised the Commission's office at Forestry House would close to allow the building to be redeveloped, the Queensland Government Accommodation Office in the Department of Housing and Public Works identified suitable office space at 1 Eagle Street, Brisbane. After refurbishment of the existing fit-out, the Commission relocated in January 2018. The new office has improved public access and allows the Commission to operate on a single floor instead of across two levels, bringing operational efficiencies. It has significantly better meeting rooms, which boosts the Commission's training capacity and workspace options, particularly during electoral events when temporary staff are required.

Importantly, the Commission now occupies a more environmentally friendly space with a 4.5 star National Australian Built Environment Rating System Energy Rating. This provided an opportunity to more closely examine the Commission's environmental footprint, which resulted in the following reductions:

- 74% in the cost of ICT connectivity services;
- 60% in storage space allocated to hard-copy documents and stationery;
- 54% in printer- related costs;
- 73% in general office paper use; and
- 14% in annual power costs.

Performance

Significant progress has been made towards accomplishing the Commission's major objectives through the implementation of a number of initiatives. The main achievements are reported below, by service delivery area and objective.

Service areas and delivery standards

Electoral services

Service area objective

Promote awareness of and participation in electoral matters to deliver fair elections and to drive improvements to election services.

Service area description

The Commission is responsible for the impartial conduct of parliamentary, local government and industrial elections in Queensland. These responsibilities interface directly with the Commission's legislative functions as established under the *Electoral Act 1992*, the *Local Government Electoral Act 2011*, the *Referendums Act 1997* and the *Industrial Relations Act 2016*.

Achievements

Major activities and achievements within the Electoral Services area for 2017-18 are based on the service delivery statements and included:

- The conduct of the election for Queensland's 56th Parliament.
- The conduct of 20 local government by-elections, a record number for the Commission in a single financial year.
- A successful tendering process to deliver a new Election Management System for the 2020 local and state government elections.
- Continued delivery of the Commission's awareness program focusing on web-based and social media channels.
- The introduction of reminder letters sent to first-time non-voters to increase electors' awareness of their responsibilities regarding enrolment and voting.
- Management of political party registration, de-registration and related matters.

Performance

- Management of funding and disclosure activities, such as providing support to those lodging real-time gifts and loans via the EDS, and paying election funding claims related to the 2017 State General Election.
- A concept level trial of drive-thru voting facilities for the elderly, physically impaired electors and their carers that enabled them to cast a secret ballot from within a vehicle.
- Continuous improvement of telephone voting to enable electors with an impairment, a low level of literacy, special postal voters and electors who live in remote locations to participate in the electoral process.

Spatial services

Service area objective

Ensure equitable representation across Queensland electoral boundaries.

Service area description

The Commission is responsible for administering the periodic review of electoral boundaries for parliament and local governments. These responsibilities interface directly with the Commission's legislative functions as established under the *Electoral Act 1992*, and in accordance with the *Local Government Act 2009* and the *City of Brisbane Act 2010*.

Achievements

Major activities and achievements within the Spatial Services area for 2017-18 are based on the service delivery statements and included:

- Ongoing monitoring of the electoral roll to determine whether state districts are within elector quotas as set out in the legislation and to identify divided local government areas that require boundary reviews. Divisional boundary reviews will ensure local government divisions are within allowable quotas prior to the 2020 local government quadrennial elections.
- The commencement of preparations to assist the Local Government Change Commission (LGCC) to undertake upcoming local government boundary reviews.
- The development of project planning documents essential to the governance of the LGCC's work in 2018 and 2019.
- Ongoing cartographic and administrative support required for the efficient conduct of the 2017 State General Election and local government by-elections, and for related reporting (e.g. district maps and 'heat maps' of informal voting and apparent non-voter rates at the electorate level).

Objective 1 - Promote awareness of and participation in electoral matters

Key Performance Indicators against this objective are:

- reduced level of informal voting at elections;
- increased level of stakeholder satisfaction with the election process;
- increased number of eligible electors on the electoral roll;
- successful completion of community based programs; and
- reduction in the cost of public awareness programs.

Initiatives contributing to achievement of this objective are detailed below.

Communication initiatives

The Commission aims to inform the community of electoral events and processes, and encourage participation in Queensland's democracy. We seek to ensure our services, activities and business operations are transparent and accessible.

A main priority during 2017-18 was the development and implementation of an extensive advertising campaign for the 2017 State General Election. The theme was 'Make it Count for Queensland', as the campaign sought to motivate people to vote while advising them of key dates and their obligations. It also emphasised the reintroduction of full preferential voting and the subsequent requirement to number every box on the ballot paper.

To maximise reach, the campaign ran on traditional and digital media. The Commission expanded its use of social media with advertising on Facebook, Twitter, Instagram, YouTube, Spotify, BuzzFeed, and Snapchat. These popular and innovative platforms were used to engage young electors, as this demographic often records comparatively low participation rates at elections.

The election advertising campaign was launched on 30 October 2017. It featured more than 1,200 television advertisements and about 7,500 radio spots. Newspaper advertisements appeared in The Courier Mail, Koori Mail, Torres News, and Cape York News. YouTube advertisements achieved a completed view rate of 33%, considerably outperforming the government benchmarks of 14-18%. Snapchat delivered just under 50,000 completed views and Spotify reached at least 179,000 users. Facebook advertisements recorded high engagement, reaching more than 1.3 million people. The Commission also directly interacted with more than 500 people via Facebook to answer questions and provide assistance.

An indication of the success of the campaign in raising public awareness was the rise in the number of voter enrolments in the lead-up to the election. About 14,600 people were added to the electoral roll, just months after a once-in-a-generation spike in enrolments that was linked to the national Same Sex Marriage Survey.

Performance

Multilingual guide to voting

To make voting accessible to Queensland's multicultural community, the Commission produced a multilingual guide to voting for the State General Election. It was printed in 27 languages, gave a step-by-step guide to casting a ballot using the full preferential voting system, and explained that voting is confidential in Queensland. The guide was available at all polling booths, and was distributed to ethnic community groups prior to the election. This initiative aimed to give people the confidence and ability to cast a secret ballot, especially those with English as a second language.

The multilingual guide remains available on the Commission's website: <https://www.ecq.qld.gov.au/voters-and-voting/voting-system/full-preferential-voting>.

Voter information card

At the State General Election a voter information card (VIC) was mailed to more than 3.1 million enrolled electors. The VIC advised recipients of their electorate following a major realignment of electoral boundaries by the Queensland Redistribution Commission. It also listed polling booth locations, the election date and ways to contact the Commission and featured a personalised barcode that could be scanned to facilitate faster mark-off at the polling booth. This enhanced the voter experience by reducing processing times and minimising queues; a post-election survey showed 94% of respondents found the VIC improved the Commission's service to electors. Further improvements to the VIC continue to be incorporated for future events.

Special postal voters did not receive a VIC as they automatically receive their ballot material in the mail and do not need to attend a polling booth. They were advised of their electorate, following the redistribution of boundaries, on their ballot material.

A VIC was also produced for six local government by-elections, as listed in Table 1. As the elections are funded by councils, VICs were only used when the Commission was authorised to do so by the relevant council.

Table 1 - Use of the voter information card in 2017-18 elections

Date	Electoral event	VIC usage by % of in-person voters (approx.)
19 August 2017	Ipswich City Council Mayoral by-election	75%
7 October 2017	Ipswich City Council Division 7 by-election	80%
25 November 2017	State General Election	71%
17 March 2018	Tablelands Regional Council Division 6 by-election	78%
5 May 2018	Gympie Regional Council Division 8 by-election	83%
5 May 2018	Charters Towers Regional Council by-election	69%
5 May 2018	Fraser Coast Regional Council Mayoral by-election	79%

Local government by-elections

Facebook and Twitter were used as a cost-effective means of raising public awareness of local government by-elections conducted during 2017-18. Paid posts enabled the Commission to target electors in a specific local government area and deliver key messages at relevant stages of the election cycle. This social media presence also provided another way for the public to directly interact with the Commission when seeking information or assistance.

Website

The Commission is committed to providing open access to information about its services and activities. As such, our website features details of electoral processes and events, election results and corporate documents. Users are able to search for their State district or local government area using interactive maps. They can also access the EDS which provides real-time information on political donations.

The Commission is planning a website refresh in 2018-19 to ensure we continue to meet the needs of the community. We will also host a new microsite called Guide to Democracy, which explains democratic processes to students while highlighting the importance of participation. The microsite will demonstrate ways to effect positive change in the community and encourage students to hold their own elections using the templates provided. This project was initiated by the Department of Premier and Cabinet and lesson plans and curriculum advice were provided by the Department of Education. The microsite is based on the Passport to Democracy resource developed by the Victorian Electoral Commission.

Performance

Telephone voting

Telephone voting enables electors who might otherwise be unable to cast a secret and independent ballot, to do so via a dedicated phone line at State and local government elections and some by-elections.

The service is available to people who:

- cannot vote without assistance because of an impairment;
- have an impairment or low level of literacy;
- are special postal voters; or
- are distance voters (i.e. their enrolled address is more than 20kms from the nearest practicable route to a polling booth, or (if the election is a local government by-election) an elector who cannot for another reason vote at a polling booth during the voting period).

During 2017-18, telephone voting was conducted at the State General Election and six local government by-elections (see Table 2). Usage was comparatively lower at the State General Election due to the stricter eligibility criteria applied. Telephone voting is independently audited after it is used in each electoral event.

A survey conducted after the 2017 State General Election found more than 99% of respondents agreed or strongly agreed that telephone voting was a beneficial service. More than 99% would use the service again. Some respondents said telephone voting had given back their independence, with one person noting “we still have a voice and we love it”.

Table 2 - Use of telephone voting in 2017-18 elections

Date	Electoral event	No. of telephone votes
19 August 2017	Ipswich City Council Mayoral by-election	996
19 August 2017	Boulia Shire Council Councillor by-election	9
7 October 2017	Ipswich City Council Division 7 Councillor by-election	58
25 November 2017	State General Election	1176
5 May 2018	Fraser Coast Regional Council Mayoral by-election	972
5 May 2018	Charters Towers Regional Council Councillor by-election	94
5 May 2018	Gympie Regional Council Division 8 Councillor by-election	69

State General Election 2017 - evaluation survey

After the 2017 State General Election, the Commission surveyed electors, candidates, returning officers (ROs), polling officials and our own staff via online and paper formats. The purpose of the survey was to assess stakeholder satisfaction with the election in order to identify potential improvements to electoral services.

There were 14,259 survey responses; findings were incorporated in the Statistical Return that was tabled in the Queensland Parliament. The findings are summarised in Figure 1.1 of the evaluation survey and are reproduced in Table 3 below.

Table 3 - Key findings of the evaluation survey

Stakeholder	Strengths	Improvement areas
Voters	<ul style="list-style-type: none"> Ease and efficiency of voting processes Clarity of voting instructions High quality customer service Value of the telephone voting service 	<ul style="list-style-type: none"> Location and accessibility of pre-poll centres Availability of online voting Effectiveness of the VIC ¹
Candidates	<ul style="list-style-type: none"> High quality customer service Sufficiency of candidate resources 	<ul style="list-style-type: none"> Ease of processes and support for independent candidates Awareness of electoral advertising and how-to-vote card requirements Location and accessibility of polling places

¹ Whilst the majority of electors agreed the VIC was useful and informative, some electors offered improvements, for example, positioning the electors' electorate on the front of the VIC.

Performance

Stakeholder	Strengths	Improvement areas
Returning officers	<ul style="list-style-type: none"> • High quality support provided by Commission staff • Value of user guides, handbooks and face-to-face training • Efficient delivery of office materials • Service improvement through use of the VIC and ECL laptops • Ease and efficiency of the ballot draw, nomination and how-to-vote card processes • Effective budget allocation and payment of accounts 	<ul style="list-style-type: none"> • Satisfaction with remuneration • Effectiveness of the Learning Management System (LMS) and live webinars as training resources • Effectiveness of the Electronic Lookup and Mark Off tablets (ELMOs) • Ease and efficiency of processes for leasing returning officer offices • Ease and efficiency of processes for appointing election staff • Appropriateness of staffing levels on polling day • Management of unacceptable behaviour by political supporters
Polling officials	<ul style="list-style-type: none"> • Satisfaction with remuneration • High quality support provided by Commission staff • Ease of use and clarity of policies, procedures and forms • Value of handbooks and face-to-face training • Service improvement through use of the VIC and ECLs 	<ul style="list-style-type: none"> • Effectiveness of the LMS • Effectiveness of the ELMOs
Commission staff	<ul style="list-style-type: none"> • Adequate support provided during the election • Sufficient resources to perform election duties effectively • Value of project plans 	<ul style="list-style-type: none"> • Communication between work areas • Appropriate staff numbers and training • Management of staff workloads • Flexibility of overtime

Failure to vote

Following the 2017 State General Election, the Commission issued reminder letters that voting is compulsory, to approximately 100,000 electors who appeared to have failed to cast a ballot for the first time in their voting history. This was the first time the Commission employed such an approach, which was based on research into this electoral offence and the factors that incentivise electors to vote. The reminder letters not only outlined Queensland's compulsory voting requirements but also the consequences of failing to vote again in the future. No response was required.

The Commission then issued 108,856 Apparent Failure to Vote (AFTV) notices to all other electors who appeared to have failed to cast a ballot at the 2017 State General Election. The AFTV notices gave electors the opportunity to provide a valid and sufficient reason for failing to vote, or to pay a reduced penalty for failing to vote.

Electors who do not respond or who are unable to provide a valid and sufficient reason for not voting are issued with a Penalty Infringement Notice (PIN) with a financial penalty of one penalty unit.

For the first time, the Commission made use of email addresses on the electoral roll for communicating with voters throughout this post-election process. Some 30,000 reminder letters that voting is compulsory and 25,000 requests to respond to the AFTV notices were sent to electors as emails. The response rate to this initiative demonstrated the value and effectiveness of being able to communicate directly with electors.

Interstate elections

The Commission is often called upon to be an early voting booth for elections outside Queensland and in the past year we provided this service for interstate and international electoral events. This cooperation not only enhances relationships with interstate and international counterparts, but also promotes innovation and ensures people are able to exercise their democratic right to vote.

Disability Advisory Committee

The Disability Advisory Committee consists of members from the Australian Electoral Commission (AEC), other electoral jurisdictions and from peak disability organisations. The purpose of this committee is to assist electoral commissions to promote greater accessibility, inclusion and participation in the electoral process by people with disability. It also provides an opportunity for disability agencies to provide feedback on current services and issues of concerns. The committee meets annually, and members communicate as required throughout the year. The Commission attended the committee's meeting in Sydney on 15 February 2018.

Each electoral commission was given the opportunity to provide an update on the services they are delivering which facilitate greater access to voting; the Commission presented information on the following services provided at the 2017 State General Election:

- drive-thru voting;
- telephone voting;
- a Multilingual Guide to Voting; and
- eAssist, which provided a secret ballot to eligible, registered electors and ensured that these blind and low vision electors had the opportunity to vote without assistance.

Performance

Objective 2 - Ensure equitable representation across Queensland electoral boundaries

Key Performance Indicators against this objective are:

- formalised project management methodologies introduced to process;
- active community consultation throughout the review process;
- increased level of compliance with contractual arrangements detailed in the Service Level Agreement with the AEC; and
- improved quality processes associated with the integrity and accuracy of roll products.

Initiatives contributing to achievement of this objective are detailed below.

Electoral roll

The Queensland electoral roll is maintained by the AEC under a joint roll arrangement between the Commonwealth and Queensland Governments. The Commission paid an annual fee of \$2,888,004 for this service in 2017-18. As at 30 June 2018 there were 3,203,243 electors enrolled in Queensland, an increase of 82,754 from 2016-17. The AEC also provides the necessary roll products to the Commission to enable the delivery of all electoral events.

Additionally, the Commission and the AEC work collaboratively to identify, investigate and resolve electoral roll issues in Queensland and assists the Commission on major projects such as the recent State redistribution of electoral boundaries to ensure all electors are correctly enrolled.

Queensland Redistribution Commission

Redistribution outcome

An estimated 32% of electors were affected by the realignment of State electoral boundaries and renaming of electorates by the Queensland Redistribution Commission. The redistribution increased the number of State electorates from 89 to 93, to accommodate Queensland's growing and shifting population. The changes came into effect when the writ was issued for the 2017 State General Election. Electorate names were printed on the ballot materials sent to special postal voters and on the voter information card (VIC) to advise electors of the changes.

Local Government Change Commission

The Local Government Change Commission (LGCC) is formed under the provisions of the *Local Government Act 2009* and the *City of Brisbane Act 2010*. The LGCC is comprised of the Electoral Commissioner or any combination of the Electoral Commissioner, the Deputy Electoral Commissioner, and casual commissioners. The LGCC assesses referrals from the Minister responsible for Local Government for local government changes or boundary reviews. No referrals were received in the reporting year, and no directions were given by the Minister under section 19(4) of the *Local Government Act 2009* or section 21(4) of the *City of Brisbane Act 2010*.

As a result, it has not been necessary to include a report on such directions in this Annual Report, which is a requirement of section 25 of the *Local Government Act 2009*.

In the 2018-19 period, the LGCC will ensure that local governments' elector distribution is within statutory quotas prior to the 2020 local government quadrennial elections.

The Commission's spatial team plays a key role in the boundary review process by assisting the LGCC to interpret public submissions, modelling alternatives for boundary changes, and preparing cartographic products and statistical information to promote stakeholder awareness at key stages of the process.

Objective 3 - Deliver fair and just Queensland elections

Key Performance Indicators against this objective are:

- formalised process implemented for the review of elections;
- performance and development agreements in place for our people;
- improved timeliness of service delivery; and
- elections delivered without challenge through the Court of Disputed Returns, or if lodged, decisions are upheld by the Court of Disputed Returns.

Initiatives contributing to achievement of this objective are detailed below.

Elections

The Commission conducted a State General Election and 20 local government by-elections during the reporting period. All were delivered successfully and no challenges were lodged with the Court of Disputed Returns.

State General Election

The Commission conducted the State General Election on 25 November 2017. Key election milestones included:

- Issue of the Writ - 29 October 2017
- Close of the electoral roll - 3 November 2017
- Close of nominations - 7 November 2017
- Election Day - 25 November 2017
- Cut-off for return of postal ballots - 5 December 2017
- Return of the Writ - 11 December 2017

Performance

Key election statistics included:

- Total number of votes counted - 2,826,613
- Total number of candidates - 453
- Number of elected Members of Parliament - 93

Local government by-elections

The Commission conducts elections for mayoral and councillor positions on behalf of all Queensland local governments. Each local government must reimburse the cost of any election held for positions within the council. The Commission liaises closely with local governments on matters such as the election timetable and ways to minimise costs including the use of council staff as election officials and council premises as polling venues.

During 2017-18, the Commission conducted 20 local government by-elections across Queensland, a record number in a financial year (refer table 4 below). Two further by-elections were underway but incomplete as at 30 June.

Table 4 - Local government by-elections in 2017-18

Electoral event	Date
Boulia Shire Council Councillor by-election	19 August 2017
Ipswich City Council Mayoral by-election	19 August 2017
Central Highlands Regional Council by-election	30 September 2017
Paroo Shire Council by-election	30 September 2017
Ipswich City Council Division 7 by-election	7 October 2017
Kowanyama Aboriginal Shire by-election	4 November 2017
Lockhart River Aboriginal Shire by-election	4 November 2017
Isaac Regional Council Division 1 by-election	18 November 2017
Winton Shire Council mayoral by-election	18 November 2017
Brisbane City Council - Morningside councillor by-election	20 January 2018
Bundaberg Regional Council Division 8 councillor by-election	10 February 2018

Electoral event	Date
Bundaberg Regional Council Division 10 councillor by-election	10 February 2018
Lockyer Valley Regional Council councillor by-election	10 February 2018
Winton Shire Council councillor by-election	10 February 2018
Livingstone Shire Council councillor by-election	17 March 2018
Napranum Aboriginal Shire Council councillor by-election	17 March 2018
Tablelands Regional Council Division 6 councillor by-election	17 March 2018
Charters Towers Regional Council by-election	5 May 2018
Fraser Coast Regional Council mayoral by-election	5 May 2018
Gympie Regional Council Division 8 by-election	5 May 2018

Industrial elections

Under the *Industrial Relations Act 2016*, the Commission is required to conduct elections for employer and employee organisations registered in Queensland. These are initiated by the Queensland Industrial Relations Commission (QIRC), which issues decisions that instruct the Commission to conduct elections for positions of office within a specific organisation.

During 2017-18, the QIRC issued 55 decisions to the Commission, resulting in the conduct of 50 elections for 348 positions. A total of 219 nominations were received with 11 positions proceeding to ballot. A total of 4,867 ballot papers were issued and 940 were returned.

Election review process

The Commission revised its methodology for reviewing electoral events and used a new approach to examine the 2017 State General Election. Under the system, the review is submitted to the Elections Planning Committee for consideration, before being provided to the Senior Management Team for approval. The lessons learned are then incorporated into planning processes for future events.

Performance

Election staff training

Frontline polling booth officials are the cornerstone of the Commission's success at elections. It is vital that all temporary election staff receive quality training to acquire the skills and knowledge necessary to successfully perform their duties as polling booth officials. This is a core strategy for the Commission, as indicated by Objective 3 of the Commission's Strategic Plan (Deliver fair and just Queensland elections).

An evaluation began immediately after the 2017 State General Election to review the training delivery and further enhancements are underway in preparation for the 2020 local government quadrennial elections. These include reviewing all content and tailoring of the modes of delivery. A series of face-to-face training sessions are also being developed that will ensure staff understand and have an opportunity to practice key election processes. These activities will also enhance pre-election testing to detect or address minor technical issues.

Human resources

The Commission maintains a dedicated Human Resources team that manages normal business requirements whilst also facilitating the rapid engagement of up to 11,000 temporary election staff to support the conduct and delivery of elections and by-elections.

Workforce profile

As at 30 June 2018, the Commission's approved establishment was 56 (refer Figure 1), distributed as indicated in Figure 2. The majority of positions are located at 1 Eagle Street, Brisbane with two staff working at the Commission's warehouse facility at Coopers Plains.

Figure 1 - Breakdown of the Commission's Establishment as of 30 June 2018

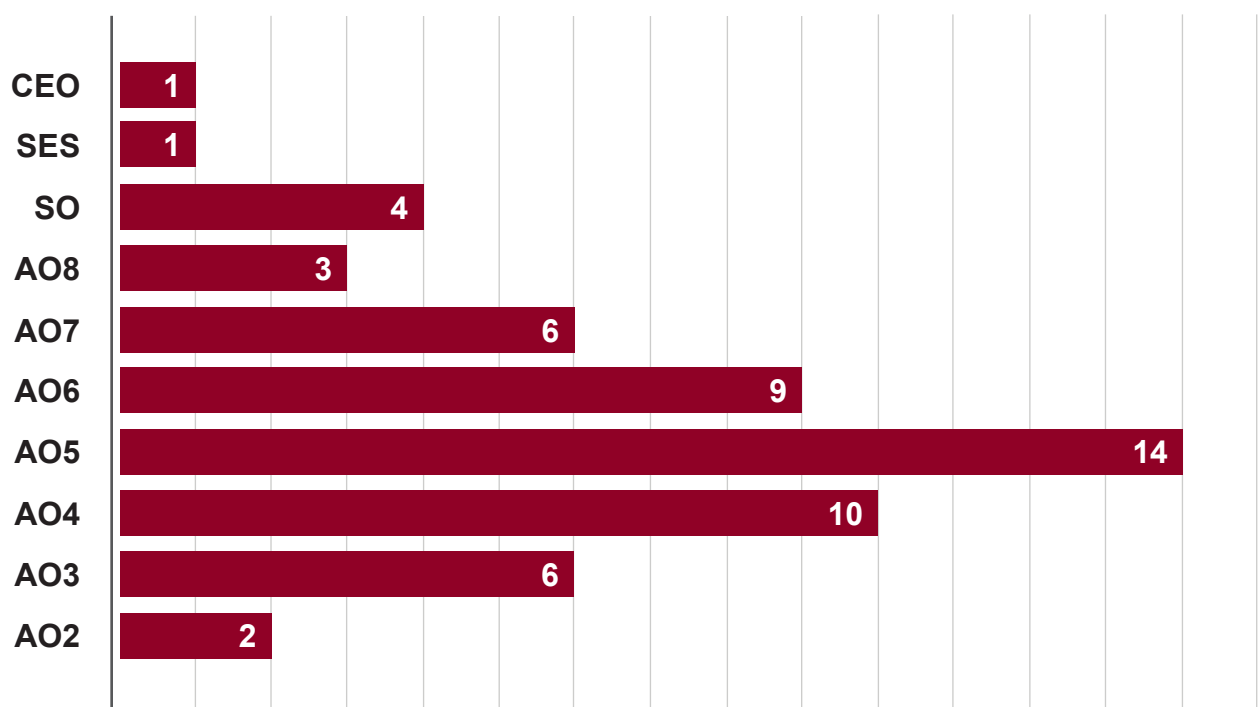
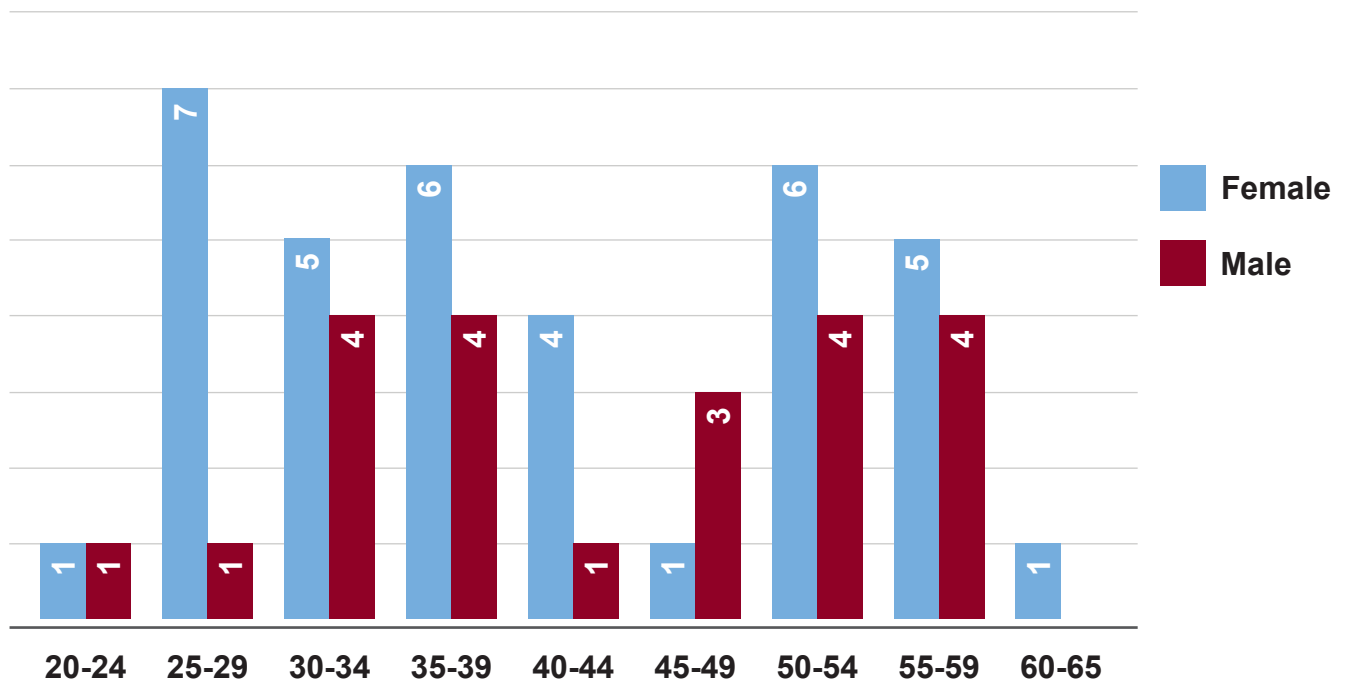


Figure 2 - Breakdown of the Commission's gender and age as at 30 June 2018 (including temporary staff)



Workforce planning and performance

We will continue to build, maintain and support a sustainable, innovative and diverse workforce that meets the Commission's service delivery needs. A number of key strategies are employed to attract and retain a skilled and capable workforce including:

- promoting work-life balance;
- fostering an open and consultative workforce; and
- ongoing leadership development.

As part of a strategy for cultivating the next generation of leaders, the Commission actively supports participation in training initiatives provided by the Public Service Commission, Queensland Ombudsman and TAFE Queensland. Managers also discuss personal development opportunities with employees through their performance and development agreements. A key focus for 2017-18 was to further develop leadership and management capabilities; this included 360 degree feedback survey and the implementation of the online training and development system, MyCareer.

The Commission offers the opportunity for staff to utilise the Study and Research Assistant Scheme (SARAS) which provides financial and leave assistance to complete further education. During 2017-18 the Commission sponsored two employees through SARAS and also conducted an expression of interest for a staff member to be sponsored to undertake the Griffith University Graduate Certificate in Policy Analysis.

Performance

Career development

The Commission sent staff members to other electoral commissions to assist with the conduct of electoral events in 2017-18 (e.g. the South Australian State election on 17 March 2018). These secondments provide further development opportunities for our people and allow a sharing of ideas while enabling us to gain a better understanding of what constitutes best practice across Australia in delivering major electoral events.

In 2017-18, the Commission welcomed its first graduate in the Queensland Government's Policy Futures Graduate program. The Commission's involvement provides graduates with experience in a different type of public sector organisation, thus facilitating a well-rounded experience of public administration in the Queensland Public Service. We will continue participating in the program for future graduate rotations in 2018-19 and beyond.

Working for Queensland results

The Commission received an impressive 79% response rate to the working for Queensland survey, well above the overall Queensland public sector rate of 49%.

The results demonstrated a continuous positive change within the Commission, and were primarily focussed on leadership and engagement. The following is a snapshot of results.

- 89% of respondents understood how their work contributes to organisational objectives.
- 89% of respondents felt that people in their workgroup treat customers with respect.
- 89% of respondents felt that people in their workgroup are committed to delivering excellent service to customers.
- 87% of respondents identified that they understood what is expected of them to do well in their jobs.

The Commission continues to work with staff to ensure they understand the purpose of their roles and how they contribute to the Commission's values and objectives.

Staff health and well-being

The Commission values its employees and strongly supports their health and well-being by actively pursuing a positive culture and a working environment that advocates zero harm to all employees. We recognise the importance of flexible work arrangements to promote work-life balance and staff can, and did access during the reporting period a range of flexible work options, including:

- job-sharing;
- part-time employment (three staff);
- phased retirement;
- telecommuting (three staff); and
- family, culture and accrued leave arrangements.

These options and a range of health and well-being services are promoted through established staff communication channels such as emails, meetings and intranet updates. During the 2017-18 reporting period health and well-being initiatives included:

- free annual influenza vaccinations to all employees;
- provision of a dedicated sick room and training of first-aid officers;
- compulsory domestic and family violence training to promote a respectful workplace culture and provide support to those whose lives are affected by domestic and family violence;
- purchase of a defibrillator;
- access to an employee assistance program for free, short-term professional counselling and support services for employees and immediate family members;
- access to free lunch time health activities at our new office; and
- establishment of a Workplace Health and Safety Committee in June 2018 to further enhance the Commission's commitment to our staff.

Early retirement, redundancy and retrenchment

No early retirement, redundancy or retrenchment packages were paid during the reporting period.

Objective 4 - Drive improvements to election services

Key Performance Indicators against this objective are:

- increased online services and associated reduction in manual forms/materials;
- improved governance mechanisms;
- active consultation for policy development and service improvement;
- reduced cost of electoral event per elector;

Initiatives contributing to achievement of this objective are detailed below.

Funding and disclosure

Electronic disclosure system

In February 2017, the Commission's real time Electronic Disclosure System (EDS) went live, replacing the former paper-based method of reporting. The Australian-first system enables the reporting of gifts and loans to political entities within seven business days of the transaction. That information is made public within 24 hours of being provided. The public is also able to view all disclosure returns by political entities, publishers and broadcasters, all of which provided unprecedented access to political donation information. 2017-18 was the first full financial year in which the EDS was operational for all electoral events.

Performance

During the election period for the 2017 State General Election (29 October 2017-25 November 2017), 1,325 returns were lodged in the EDS and over \$3.5 million worth of gifts were disclosed.

The Commission achieved full compliance with registered political parties using the EDS to lodge returns, while a small number of candidates and third parties, particularly in local government, continued to utilise paper-based returns. These returns were published on the Commission's website and, to increase transparency, uploaded into the EDS on the candidates' behalf.

We continued our work in ensuring compliance with Queensland's historical disclosure obligations, including conducting several investigations into apparent instances of non-compliance dating back to the 2016 local government quadrennial elections.

The Commission conducted or began compliance reviews for the 2017 State General Election and 20 local government by-elections using the data from the EDS.

We plan to continue making improvements to the EDS to support the needs of users and deliver relevant data to the Queensland public around electoral events.

Register of political parties

The Commission keeps a register of political parties in accordance with the *Electoral Act 1992*. During 2017-18, registration activities included:

- 3 July 2017 - Palmer United Party's deregistration was completed
- 3 July 2017 - Katter's Australian Party added a Deputy Registered Officer
- 9 August 2017 - Family First Party's deregistration was completed
- 30 August 2017 - Katter's Australian Party changed Party Secretary
- 13 September 2017 - Pauline Hanson's One Nation Queensland Division changed Party Secretary
- 20 October 2017 - Katter's Australian Party changed Registered Officer
- 22 December 2017 - The Flux Party Queensland was registered
- 22 January 2018 - Australian Labor Party changed Party Secretary
- 22 January 2018 - Australian Labor Party changed Party Agent
- 14 February 2018 - Queensland Greens added a Party Secretary
- 27 February 2018 - Australian Labor Party changed Registered Officer
- 6 March 2018 - Australian Labor Party changed Deputy Registered Officer
- 9 April 2018 - The Flux Party Queensland changed Party Agent
- 17 May 2018 - Pauline Hanson's One Nation Queensland Division changed Party Secretary
- 1 June 2018 - Pauline Hanson's One Nation Queensland Division changed Party Registered Officer
- 1 June 2018 - Pauline Hanson's One Nation Queensland Division changed Party Agent

As at 30 June 2018, seven political parties were registered under the Electoral Act (refer Table 5).

Table 5 - Registered Queensland political parties

Registered political party	Registered abbreviation	Registration date
Australian Labor Party (State of Queensland)	Australian Labor Party	14 August 1992
Queensland Greens	The Greens	6 May 1994
Liberal National Party of Queensland	LNP	9 September 2008
Pauline Hanson's One Nation Queensland Division	Pauline Hanson's One Nation	12 August 2011
Katter's Australian Party	No abbreviation registered	22 September 2011
Civil Liberties, Consumer Rights, No-Tolls	No abbreviation registered	23 October 2015
The Flux Party Queensland	Flux Qld	22 December 2017

Election funding

The Electoral Act provides for a proportional reimbursement of election campaign-related expenditure to registered political parties and candidates contesting State elections. To be eligible, candidates must receive at least 6% of the formal first-preference (FFP) vote for their electorate. Political parties may claim election funding for eligible candidates that are endorsed by the party.

Election funding is capped at the amount of qualifying electoral expenditure or by calculating the number of FFP votes gained by the candidate multiplied by the applicable election funding amount, whichever is the lesser.

The election funding amounts for both candidates and registered political parties are adjusted each year on 1 July, in line with the consumer price index as prescribed in section 225 of the Electoral Act. For 2017-18, the election funding amounts were:

- \$1.570 per vote for an eligible candidate; and
- \$3.142 per vote for an eligible registered political party.

Election funding was provided during the reporting period to political parties and candidates for the 2017 State General Election. Of the 453 candidates who contested the election, 345 polled sufficient votes to qualify for election funding.

Performance

A total of \$7.8 million was paid to eligible registered political parties and \$3.7 million was paid to candidates. A breakdown of capped election funding paid for the 2017 State General Election (refer Table 6 below).

Table 6 - Election funding claims from the 2017 State General Election

Eligible registered political party	Payment amount
Australian Labor Party (State of Queensland)	\$3,009,690.38
Liberal National Party of Queensland	\$2,862,421.70
Pauline Hanson's One Nation Queensland Division	\$1,033,370.09
Queensland Greens	\$757,259.70
Katter's Australian Party	\$196,730.05
Civil Liberties, Consumer Rights, No-Tolls	\$6,161.46
Total payments to registered political parties	\$7,865,633.38
Total payments to candidates	\$3,819,300.49
Grand total	\$11,684,933.87

The assessment of funding claims is currently a manual process; however, the Commission is considering how claims may be lodged for the 2020 State General Election to reduce the time required for lodging, assessing and payment of claims.

Policy development payments

The purpose of Policy Development Payments is to ensure political parties can continue to engage fully in developing and shaping policy while continuing to effectively represent the community.

The total pool of policy development payment funding is \$3 million per financial year, as prescribed by section 8 of the *Electoral Regulation 2013*. This is paid to registered political parties in accordance with the requirements of Division 5 of the Electoral Act and is paid in two instalments; the first payment is made on or before 31 July, the second payment is made on or before 31 January.

Eligibility for policy development payment and the amounts for 2017-18 were decided within three weeks of the end of the financial year, and the first of the two annual payments were made early in the 2018- 19 financial year. These were calculated using the first preference votes cast at the 2017 State General Election, in accordance with section 240 of the Electoral Act. Tables 7 and 8 show the effect of the distribution of first preference votes on payment amounts as calculated over the past two State General Elections.

Table 7 - Policy development payments for the 2016-17 financial year made in the 2017-18 financial year

Eligible registered political party	First payment amount	First payment date	Second payment amount	Second payment date
Liberal National Party of Queensland	\$768,236.82	26 July 2017	\$768,236.82	19 Jan 2018
Australian Labor Party (State of Queensland)	\$696,657.27	26 July 2017	\$696,657.27	19 Jan 2018
Katter's Australian Party	\$35,105.92	28 July 2017	\$35,105.92	23 Jan 2018
Total amounts	\$1,500,000		\$1,500,000	

Table 8 - Policy development payments for the 2017-18 financial year paid in the 2018-19 financial year

Eligible registered political party	First payment amount	First payment date	Second payment amount	Second payment date
Liberal National Party of Queensland	\$537,221.41	On or before 31 July 2018 (all paid on 6 July)	\$537,221.41	On or before 31 January 2019
Australian Labor Party (State of Queensland)	\$564,860.91		\$564,860.91	
Katter's Australian Party	\$36,922.44		\$36,922.44	
Queensland Greens	\$142,105.37		\$142,105.37	
Pauline Hanson's One Nation Queensland Division	\$218,889.87		\$218,889.87	
Total amounts	\$1,500,000		\$1,500,000	

Performance

Other disclosure matters

On 1 March 2018, in the case *Electoral Commission of Queensland v Awabdy* [2018] QSC 33, Queensland Supreme Court Justice Jackson affirmed the Commission's authority under sections 290 and 291 of the Electoral Act and the requirement for registered political parties to include in their disclosure returns all gifts and loans received above the gift threshold, regardless of whether they were received for the Commonwealth or State electoral process. Registered political parties were required to submit previously undisclosed gifts above the gift threshold amount of \$1,000 received since 21 November 2013. The Liberal National Party (Qld) is appealing Justice Jackson's decision in the Court of Appeal.

This year also saw legislative amendments as a result of the Crime and Corruption Commission's (CCC) report, Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government. On 6 March 2018, the Honourable Stirling Hinchliffe MP, Minister for Local Government, Minister for Racing, and Minister for Multicultural Affairs introduced the *Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Bill 2018* (the Bill). The Bill amended the *Electoral Act 1992* and *Local Government Electoral Act 2011*.

The Bill was passed on 21 May 2018, with Parts 3 and 5 to commence on a date to be proclaimed. These parts contain provisions related to the prohibition of property developers making political gifts. The Commission is working with stakeholders to put in place a suitable framework to administer these new requirements and complement the existing disclosure laws in Queensland.

Election Gateway Project

The Election Gateway Project (EGP) was established in 2015-16 to source and deliver a software solution that ensures the Commission has the information technology it requires to plan, deliver and report on electoral events into the future.

Since February 2018, the EGP team has been working closely with the contractor appointed to deliver the Commission's new election management system. They have been incorporating the contractor's existing functionalities with the Commission's business requirements and exploring other election service improvements.

The 'development and execute' phase is due to commence in July 2018 with user acceptance testing, security and penetration tests to follow, as well as the rollout of training for all Commission employees and the broader temporary election workforce. It is planned that the new system will be operational for the local government quadrennial elections scheduled for March 2020.

Review of core procedures

The Commission finalised the preparation of core procedures across all functional areas to support and prepare for the EGP. The procedures will be used to inform the identification and development of required functionality in the new election management system, as well as supporting internal governance.

Consultation

Electoral Council of Australia and New Zealand (ECANZ)

ECANZ is a consultative council of the electoral commissioners from electoral authorities of the Commonwealth, States and Territories of Australia and New Zealand.

ECANZ meets regularly to discuss all aspects of electoral administration, encourage mutual cooperation and consider contemporary electoral challenges as well as improving access and equality for all eligible electors. Current considerations include cyber security, internet voting, indigenous electoral participation and professional development. Over the past 12 months, ECANZ met on four occasions.

Local government

The Commission will continue working with the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) to inform candidates and political parties ahead of the 2020 local government quadrennial elections about their obligations under the *Local Government Electoral Act 2011*.

This includes working with DLGRMA to present information in a variety of forms about important new integrity provisions in the *Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act 2018*, such as the ban on political donations by property developers.

The Commission has already commenced quarterly meetings with the Local Government Association of Queensland and Local Government Managers Australia (Queensland). We look forward to continued collaboration with these groups and individual local governments.

Complaints management

A revised Complaints Management Policy was approved by the Electoral Commissioner on 27 November 2017.

During the past financial year, the Commission received 549 complaints; an increase on the previous 12 months. It is believed the rise was due to the 2017 State General Election as 433 complaints were lodged between 29 October 2017 - February 2018.

Of the 433 complaints received during the election period: 98% were resolved between 30 October and 31 December 2017; 78% of the remaining issues were resolved between 1 January and 1 February 2018; the final 139 complaints were resolved within agreed timeframes.

As indicated in Table 9, advertising breaches were the most common complaint but only three of the 96 reported breaches required further investigation. All three have since been resolved, with one matter resulting in a penalty infringement notice being issued.

Performance

Table 9 - Most common complaints received by the Commission

Complaint category	Number of complaints
Advertising breach	96
Commission staff (incl. temporary election staff)	56
Contact with voters by political parties	55
Polling facilities	51
Postal votes	40

ICT upgrades and changes will be made to the Commission's complaints system during 2018-19 to ensure it is easy to use, and captures significant data for continued improvement to service delivery and response times.

Other whole-of-government plans and initiatives

The Commission contributes to The Queensland Plan, a shared 30-year vision for the State, by implementing programs and services that align with the State Government's commitment to advance Queensland priorities. As such, the Commission is focussed on delivering quality frontline services and making these accessible to the community. This is exemplified by initiatives such as the trial of drive-thru voting (see page 9), telephone voting, and by our dedication to continuously improve access to information and services.

Planning for the future

Our planned activities for the next financial year include the following:

- delivering a new Elections Management System to replace the current Strategic Elections Management System;
- recruiting and training staff to support implementation of the Commission's obligations under the *Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act 2018*;
- supporting the Local Government Change Commission with the delivery of local government boundary reviews;
- planning for the delivery of the next State General and local government quadrennial elections in 2020; and
- continuing to build on collaborative relationships with key stakeholders in preparation for the 2020 elections.

Service delivery standards review

Strategic plan review

The Commission's service areas of Electoral Services and Spatial Services will be consolidated into Electoral Services from 1 July 2018 to better reflect materiality.

The Strategic Plan will also be reviewed in 2019 to reflect the two major future influences of fixed election dates and the introduction of our new Election Management System. Together, these factors provide opportunities for the Commission to shift from an organisational model suited to rapid-response when an election is called, to one focussed on a known four-year cycle of planning and event delivery.

Financial Performance

The Commission's financial position

The Commission's assets as at 30 June 2018 were \$18.693 million and liabilities \$4.093 million, resulting in net positive equity of \$14.6 million. The positive movement to the Commission's equity level from the previous financial year is the result of contributed equity of \$3 million to replace the current election management system.

The Commission's financial performance

Revenue

The Commission is primarily funded through appropriations from Queensland Treasury. The level of appropriations received during 2017-18 financial year was significantly higher than the previous 12 months as a result of the conduct of the State General Election in November 2017.

Appropriation revenue	54,887
User charges and fees	89
Contributions	1,356
Other revenue	-
Total Revenue	56,332

Financial Performance

Expenses

Total operating expenses for 2017-18 were \$55.033 million an increase of \$26.187 million from the previous financial year. The significant increase is attributable to the conduct of the State General Election in November 2017, a breakdown of expenditure by category can be located below:

Employee expenses	17,790
Supplies and services	36,186
Depreciation and amortisation	892
Other expenses	165
Total Expenses from Continuing Operations	55,033

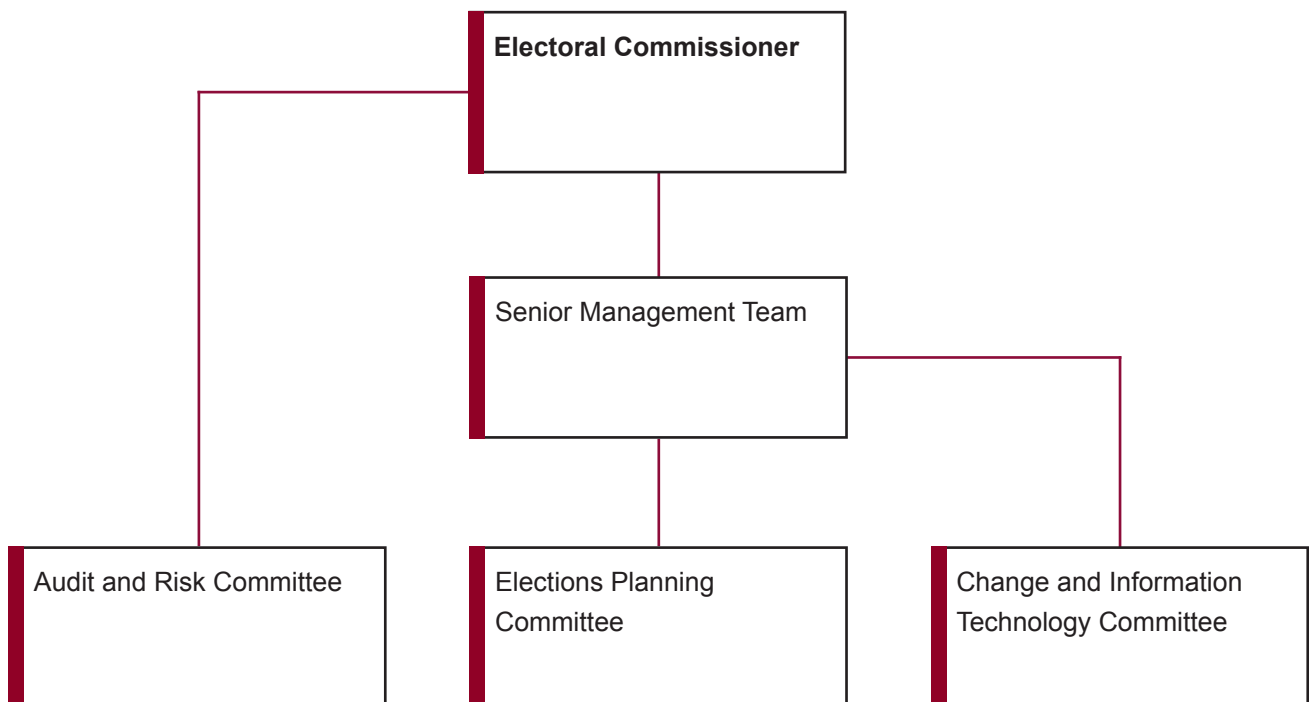
Organisational Governance

The organisational structure as at 30 July 2018 is at Appendix 4.

Management

The Commission's broad governance incorporates three committees overseen by the Electoral Commissioner and the Senior Management Team (refer Figure 3). Central to the Commission's functions are the management of electoral events supported by an evolving information management platform. This operating environment is enhanced through audit and risk management oversight.

Figure 3 - The Commission's management structure



Two additional committees were recently established to support our governance: the Workplace Health and Safety Committee and the Consultative Committee, with the latter having its first meeting on 26 March 2018.

Organisational Governance

The Senior Management Team

The Senior Management Team (SMT) is the Commission's primary governance body. Its role is to provide leadership by:

- determining the corporate vision and strategic direction;
- building organisational capability;
- ensuring the Commission continues to support the Government's community objectives; and
- being responsible for general governance duties including risk management.

The SMT is also empowered to approve and resolve the Commission's investment matters, provide scrutiny of progress across the Commission's suite of services, projects and programs, and is responsible for the delivery of whole-of-government initiatives.

The SMT met 19 times in the past financial year and has since moved to weekly meetings. Members and their roles are as follows.

- **Electoral Commissioner (Chair).** As chair of the SMT and CEO of the Commission, the Electoral Commissioner is ultimately responsible for all recommendations and decisions made by the SMT.
- **Assistant Electoral Commissioner.** Supports the Electoral Commissioner with the day-to-day running of the Commission and acts as deputy chair. The Commission's Directors, and team leaders of Human Resources and Communications report to the Assistant Electoral Commissioner.
- **Director - Readiness.** Responsible for ensuring the Commission's systems and processes are election-ready, and that appropriate preparation and planning are undertaken prior to an electoral event. Represents event-planning interests at SMT meetings, ensuring a high level of awareness regarding ongoing risks and issues.
- **Director - Elections, Disclosure and Spatial.** Responsible for delivery of elections, for managing funding and disclosure matters, and for delivery of compliance programs post-event manages the delivery of spatial and financial services to the Commission. Represents the above interests at SMT meetings while providing advice and awareness regarding ongoing risks and issues.
- **Director - Integrity.** Responsible for advising the SMT on risk and integrity matters, and the provision of organisational support and administrative services such as information management, and governance.
- **Chief Finance Officer.** Responsible for advising the SMT of their financial responsibilities, fiscal strategy and management, the status of financial accounts, and the Commission's forecasted financial position.

Elections Planning Committee

The Elections Planning Committee (EPC) was established to increase accountability and governance in decision-making processes when planning for and delivering electoral events. EPC is also created to foster an open forum for members to discuss and evaluate new processes or innovations.

Organisational Governance

The EPC:

- is a decision-making forum empowered to approve and resolve election planning-related matters, and provide scrutiny of progress made across the program of work within the Commission;
- monitors and documents implementation progress regarding recommendations identified by the Audit and Risk Committee;
- provides a forum for staff to escalate project risks and issues of concern (both in and out of session);
- provides strategic advice as request by the SMT (e.g. approval of key documents and decisions, and actioning SMT decisions);
- is responsible for ensuring the effective delivery of electoral events in line with key performance indicators listed in the 2017-21 Strategic Plan.

The EPC has 15 standing members consisting of senior staff, and the secretariat. Meetings are held monthly or more frequently during an election event. Thirty-two meetings were held in 2017-18, to prepare for and administer the State General Election and 20 local government by-elections.

Change and Information Technology Committee

The Change and Information Technology (CIT) Committee (formerly known as the IM&ICT Committee) was established on 1 August 2017. It is the primary body to provide assurance to the SMT of compliance with the Commission's Change Management Policy and change-related aspects of the ICT Policy. The Committee does this by providing operational governance of the ICT investment strategy and its change management process and procedures, and by being the recommending and/or approving authority for material change as detailed in the Change Management Policy.

The CIT Committee is also an advisory and decision-making forum for the following functions:

- providing operational governance of change management processes and procedures, ensuring requested changes are managed in a uniform process;
- providing oversight and operational governance of ICT capability and ICT investment strategy;
- while adhering to the Commission's funding delegations and procurement processes, considering proposed material changes for approval, and escalating high-risk, high-impact and/or controversial changes to the SMT;
- acting as the change committee for projects when required;
- facilitating communication with the relevant business units and project directors/managers to gain acceptance and integration of approved material changes;
- providing change management advice and services to the Commission;
- approving and resolving non-material changes that may impact more than one business unit; and monitoring progress against SMT-approved recommendations from reviews, audits or investigations as required.

The CIT Committee met once a month and consists of seven members with one external member to ensure transparency and increased accountability.

Organisational Governance

Audit and Risk Committee

The Audit and Risk Committee (ARC) provide advice and assurance to the Electoral Commissioner regarding the Commission's risk management and internal control frameworks. The committee operates in accordance with the Queensland Government Audit Committee Guidelines - Improving Accountability and Performance and assists in the discharge of the Electoral Commissioner's financial management responsibilities under the *Financial Accountability Act 2009*, *Financial Accountability Regulation 2009* and the *Financial and Performance Management Standard 2009*.

The ARC is chaired by an external member, Mr Graham Carpenter, who brings a depth of experience in both public and private sectors. Additionally, external member Ms Debbie Best has over 35 years of experience in executive leadership in the Queensland public service. Representatives from the Queensland Audit Office attended each meeting as observers to review the Commission's key audit risks and provide independent oversight of financial statements. This year, the committee reviewed the ARC Charter with a view to reinvigorate the functions of the committee, particularly with further integration between audit and risk.

Further information about how the committee has been involved in developing the Commission's Internal Audit area is in the Internal Audit section (page 40).

The ARC held quarterly meetings and as circumstances necessitated.

Ethics

The Commission is committed to ensuring staff act ethically and are accountable for their actions and decisions. We continue to support the principles identified under the *Public Sector Ethics Act 1994* by:

- providing code of conduct training as part of the induction of all new employees;
- releasing staff bulletins and online training courses;
- providing compulsory annual training for all staff including domestic violence awareness and code of conduct training;
- providing training in people management and complaints management;
- ensuring all staff have performance and development agreements in place that set out key performance indicators and behavioural expectations in line with the code of conduct;
- providing annual compulsory face-to-face training on public sector ethics conducted by the Office of the Queensland Ombudsman; and
- building on and refining the Commission's integrity framework, which consists of resource management policies, practices, protocols and fact sheets to guide employees and managers in their day-to-day duties and clarify expected conduct.

The Commission's SMT and Human Resources team are available to advise and assist all employees regarding ethical behaviour in the public sector.

Organisational Governance

Risk management and accountability

The *Financial Accountability Act 2009* requires all accountable officers and statutory bodies to establish and maintain appropriate systems of internal control and risk management.

Risk management

The Commission appointed a Chief Risk Officer (CRO) on 1 July 2017. Since that time, the CRO has been focused on embedding a revised risk management framework while promoting a risk-aware culture at all levels of the organisation.

During 2017-18, 48 strategic risks were identified by the SMT. Of those:

- 21 are closed;
- 10 have been reduced to 'as low as reasonably possible' and are being actively monitored; and
- 17 are under active treatment and mainly longer-term matters.

Major process improvements this year were in the area of operational risk management. Leveraging from the introduction of a single risk management framework during 2016-17, the identification and management of risk for election delivery projects became more deliberate, more detailed and therefore more effective. All project plans continue to be reviewed by the CRO to ensure a high standard of awareness and treatment is maintained. The EPC also reviews to ascertain the residual risk level being accepted when a project plan is approved, and to facilitate active monitoring of risk treatment plan implementation.

Internal audit

Internal audit operates under section 61 of the *Financial Accountability Act 2009* and Part 2 Division 5 of the *Financial and Performance Management Standard 2009*, providing assurance to the Electoral Commissioner regarding the efficacy of governance, risk management and control processes. This includes identification of areas for potential improvement and recommendations for change. Audit reports are forwarded to the Electoral Commissioner in accordance with the International Standards for the Professional Practices of Internal Auditing as set by the Institute of Internal Auditors.

During 2017-18, internal audits were carried out on right to information processes, and procedural compliance surrounding the 2017 State General Election for processing how-to-vote cards and employees' superannuation choices. Audits were also completed for each local government by-election at which telephone voting was available. All audits were carried out by independent external companies. No matters of significance (high or extreme risk) were identified.

In the 2017-18 reporting period, the Commission appointed a new Head of Internal Audit to start 1 July 2018. Through the ARC a number of proposed audit activities were approved to commence in the first quarter of the 2018-19 financial year and a review of the Commission's Internal Audit Charter commenced.

Organisational Governance

External scrutiny

The Commission continues to support and respond to all formal audits or reviews conducted by external authorities. All recommendations are carefully considered for incorporation into an ongoing improvement program.

Review of the 2016 local government election²

The review made 74 recommendations. Of those, 18 were for consideration by government; four were determined to be no longer applicable or not offering the originally perceived benefit. The Commission had implemented many of the remaining 52 recommendations prior to release of the report.

As of the end of June 2018, only two items were yet to be implemented as it was found they would be best addressed immediately before the next election in 2020. They remain on the Commission's register and will continue to be reported as planned actions until that date.

Crime and Corruption Commission recommendations

As a result of participative discussions with the Commission in early 2018, the Queensland Crime and Corruption Commission (CCC) made seven business improvement recommendations. All have been fully implemented.

Legislative change

The *Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act 2018* (the Act) was passed by Parliament and assented to on 21 May 2018. Upon commencement of the relevant provisions, the Commission will administer and provide guidance on the new Prohibited Donors Scheme (the ban on property developers making political donations). An active partnership approach is being adopted to ensure all interested groups are well informed of the new requirements.

The Act implements the Government's response to certain recommendations of the CCC's report *Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government* to, amongst other things, reinforce integrity and minimise corruption risk that political donations from property developers has potential to cause at both a State and local government level.

Both the *Electoral Act 1992* and *Local Government Electoral Act 2011* were amended.

² 'A review of the conduct of the 2016 local government elections, the referendum and Toowoomba South by-election'

Organisational Governance

Information systems

Activities of the ICT business unit included ongoing support for the EGP and the following:

- successful relocation of the Commission's office including rationalisation of printing services, desktop hardware and supporting network infrastructure;
- migrating data centre infrastructure to an alternate location, incorporating several cloud services and reducing reliance on traditional on-premises infrastructure; and
- making improvements to the electronic certified list application that enabled the remote download of the electoral roll onto over 4,200 devices in the field for the State General Election. This reduced the time and logistical pressures on ROs to receive and download the roll before the start of pre-polling.

Records management

The Commission's relocation to a new office was an opportunity to enact a recently approved disposal and retention schedule, and enabled the destruction and archival of hard-copy documents before relocating. A program has since been developed to continue the disposal and archiving of documentation located at the Commission's warehouse facility at Coopers Plains.

To ensure an ongoing commitment to digitisation and sound record-keeping practices, a team of record-keeping champions has been developed within each area of the Commission. The staff members work within both the RecFind and JIRA systems to ensure records are requested and retrieved as required by relevant legislation. This practice has been successful to date and will continue to be improved as systems are updated and adapted during 2018-19.

Open data

Information concerning the Commission's consultancies, overseas travel and language services is available through the Queensland Government Open Data website data.qld.gov.au.

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Electoral Commission of Queensland Financial Statements For the Year Ended 30 June 2018

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Electoral Commission of Queensland Statement of Comprehensive Income

for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
OPERATING RESULT			
Income from Continuing Operations			
Appropriation revenue	B1-1	54,887	28,692
User charges and fees		89	134
Contributions	B1-2	1,356	50
Other revenue		-	2
Total Revenue		56,332	28,878
Total Income from Continuing Operations		56,332	28,878
Expenses from Continuing Operations			
Employee expenses	B2-1	17,790	6,711
Supplies and services	B2-2	36,186	17,484
Depreciation and amortisation	B2-3	892	951
Other expenses	B2-4	165	3,700
Total Expenses from Continuing Operations		55,033	28,846
Operating Result for the Year		1,299	32
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		1,299	32

The accompanying notes form part of these statements.

Financial Statements

Electoral Commission of Queensland Statement of Financial Position

as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current Assets			
Cash and cash equivalents	C1	9,920	7,859
Receivables	C2	170	385
Inventories	C3	460	1,022
Other current assets	C4	396	2,417
Total Current Assets		10,946	11,683
Non-Current Assets			
Plant and equipment	C5-1	1,721	460
Intangible assets	C6-1	6,026	3,420
Total Non-Current Assets		7,747	3,880
Total Assets		18,693	15,563
Current Liabilities			
Payables	C7	3,644	4,957
Accrued employee benefits		449	272
Total Current Liabilities		4,093	5,229
Total Liabilities		4,093	5,229
Net Assets		14,600	10,334
Equity			
Contributed equity	C8-1	9,847	6,880
Accumulated surplus		4,753	3,454
Total Equity		14,600	10,334

The accompanying notes form part of these statements.

Financial Statements

Electoral Commission of Queensland Statement of Changes in Equity

for the year ended 30 June 2018

	Contributed Equity \$'000	Accumulated Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2016	4,217	3,422	7,639
Operating Result			
Operating Result for the Year	-	32	32
Transactions with Owners as Owners:			
- Appropriated equity injections (Note C8-2)	2,739	-	2,739
- Appropriated equity withdrawals (Note C8-2)	(76)	-	(76)
Balance as at 30 June 2017	6,880	3,454	10,334
Balance as at 1 July 2017	6,880	3,454	10,334
Operating Result			
Operating Result for the Year	-	1,299	1,299
Transactions with Owners as Owners:			
- Appropriated equity injections (Note C8-2)	3,043	-	3,043
- Appropriated equity withdrawals (Note C8-2)	(76)	-	(76)
Balance as at 30 June 2018	9,847	4,753	14,600

The accompanying notes form part of these statements.

Financial Statements

Electoral Commission of Queensland Statement of Cash Flows

for the year ended 30 June 2018

		2018	2017
	Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
Service appropriation receipts		54,887	24,642
User charges and fees		81	132
GST input tax credits from ATO		2,573	1,819
GST collected from customers		1	6
Other		-	3,825
<i>Outflows:</i>			
Employee expenses		(17,707)	(6,832)
Supplies and services		(34,771)	(19,199)
GST paid to suppliers		(2,343)	(1,831)
GST remitted to ATO		(1)	(6)
Other		(56)	(50)
Net cash provided by operating activities	CF-1	2,664	2,506
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Inflows:</i>			
Sales of plant and equipment		7	-
<i>Outflows:</i>			
Payments for plant and equipment		(484)	-
Payments for intangibles		(3,093)	(2,876)
Net cash used in investing activities		(3,570)	(2,876)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Inflows:</i>			
Equity injections		3,043	2,739
<i>Outflows:</i>			
Equity withdrawals		(76)	(76)
Net cash provided by financing activities		2,967	2,663
Net increase (decrease) in cash and cash equivalents		2,061	2,293
Cash and Cash Equivalents - opening balance		7,859	5,566
Cash and Cash Equivalents - closing balance	C1	9,920	7,859

The accompanying notes form part of these statements.

Financial Statements

Electoral Commission of Queensland Statement of Cash Flows

for the year ended 30 June 2018

NOTES TO THE STATEMENT OF CASH FLOWS

CF-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2018 \$'000	2017 \$'000
Operating Surplus/(deficit)	1,299	32
<i>Non-Cash items included in operating result:</i>		
Depreciation and amortisation expense	892	951
Net losses on disposal of plant and equipment	121	1
Donated assets received	(1,310)	-
<i>Change in assets and liabilities:</i>		
(Decrease)/increase in deferred appropriation payable to Consolidated Fund	(250)	(682)
(Increase)/decrease in trade receivables	(44)	3,824
(Increase)/decrease in GST input tax credits receivable	229	(12)
(Increase)/decrease in LSL reimbursement receivables	24	(9)
(Increase)/decrease in annual leave reimbursement receivables	6	(8)
(Increase)/decrease in inventories	562	(279)
(Increase)/decrease in prepayments/other	2,021	(2,092)
Increase/(decrease) in accounts payable	(1,063)	751
Increase/(decrease) in accrued employee benefits	177	29
Net Cash Provided by Operating Activities	2,664	2,506

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

SECTION 1 ABOUT THE COMMISSION AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Electoral Commission of Queensland ("the commission") is an independent statutory authority established on proclamation of the *Electoral Act 1992* (the Act). The commission is responsible for the impartial conduct of parliamentary, local government and industrial elections in Queensland, as well as the periodic review of electoral boundaries for parliament and local councils.

The commission is a Public Service Office of the Queensland Government established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent. For the purpose of the *Financial Accountability Act 2009*, the commission is a Department.

The head office and principal place of business of the commission is Level 20, 1 Eagle Street, Brisbane Qld 4000.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The commission has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the reporting periods beginning on or after 1 July 2017.

The commission is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in [Note G3](#).

A1-3 PRESENTATION

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and 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.

Comparatives

Comparative information reflects the audited 2016-17 financial statements.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the commission does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Electoral Commissioner and the Chief Finance Officer at the date of signing the Management Certificate.

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for inventories which are measured at the lower of cost and net realisable value.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

A1-6 THE REPORTING ENTITY

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

A2 COMMISSION'S OBJECTIVES

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

The identity and purpose of the major services undertaken by the commission during the year are as follows:

- Electoral Services promote awareness of and participation in electoral matters to deliver fair elections and to drive improvements to election services.

The commission is responsible for the impartial conduct of parliamentary, local government and industrial elections in Queensland. These responsibilities interface directly with the commission's legislative functions as established under the *Electoral Act 1992*, the *Local Government Electoral Act 2011*, the *Referendums Act 1997* and the *Industrial Relations Act 1999*.
- Spatial Services ensures equitable representation across Queensland electoral boundaries by conducting periodic review of electoral boundaries for parliament and local government councils.

As Spatial Services have materially insignificant dollar values compared to Electoral Services, the Statement of Comprehensive Income and Statement of Assets and Liabilities by Major Commission Service is not reported.

The commission is funded for the services it delivers principally by parliamentary appropriations. It also provides sale of electoral products and materials on a fee for service basis.

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

SECTION 2 NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 Appropriation Revenue

	2018 \$'000	2017 \$'000
Reconciliation of Payments from Consolidated Fund to Appropriated Revenue Recognised in Operating Result		
Budgeted appropriation revenue	55,247	24,697
Lapsed appropriation revenue	(360)	(55)
Total Appropriation Receipts (cash)	54,887	24,642
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	3,368	4,050
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(3,118)	(3,368)
Net Appropriation Revenue	55,137	25,324
Plus: Deferred appropriation payable to Consolidated Fund (expense)	(250)	3,368
Appropriation Revenue recognised in Statement of Comprehensive Income	54,887	28,692

Accounting Policy – Appropriation Revenue

Appropriations provided under the *Appropriation Act 2017* are recognised as revenue when received. Accrual is made for an appropriation receivable where Queensland Treasury approval has been obtained.

B1-2 Contributions

	2018 \$'000	2017 \$'000
Services received at below fair value	46	50
Donations of assets	1,310	-
Total	1,356	50

Accounting Policy – Donations of Assets

Contributed assets are recognised at their fair value.

Accounting Policy – Services received below fair value

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

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.

Disclosure – Donations of Assets

The Commission relocated from Forestry House in January 2018. The commission capitalised fit-out works performed by the Department of Housing and Public Works free of charge for the new commission's office at Level 20, 1 Eagle Street Brisbane valued at \$1.310 million.

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

B2 EXPENSES

B2-1 Employee Expenses

	2018 \$'000	2017 \$'000
Employee Benefits		
Wages and salaries	5,244	4,965
Election wages, polling officials and returning officers fees and allowance	9,859	97
Annual leave levy	501	597
Employer superannuation contributions	1,844	727
Long service leave levy	122	117
Termination benefits	45	97
Other employee benefits	23	49
Employee Related Expenses		
Workers' compensation premium	33	14
Other employee related expenses	119	48
Total	17,790	6,711

Disclosure – Employee expenses for the 2017 State General Election

Total employee expenses of \$10.567 million was incurred for the 2017 State General Election.

Disclosure – Full-time equivalent employees

	2018 No.	2017 No.
Full-Time Equivalent Employees:	57	58

The commission engages casual employees on an "as need basis" and during the 2017-18 financial year the number of casual employees engaged was 4 (2017: 3).

Accounting Policy - Wages and Salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the commission expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy - Sick Leave

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.

Accounting Policy - 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*.

Accounting Policy - 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*.

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

B2 EXPENSES (continued)

B2-1 Employee Expenses (continued)

Accounting Policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - 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*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the commission at the specified rate following completion of the employee's service each pay period. The commission's obligations are limited to those contributions paid.

Accounting Policy - Workers' Compensation Premiums

The commission pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in [Note G1](#).

B2-2 Supplies and Services

	2018 \$'000	2017 \$'000
Computer processing costs	1,286	1,056
Consultants and contractors	2,007	2,769
Public funding to political parties and candidates	14,685	3,085
Freight & Cartage	1,340	153
Advertising and promotion	1,154	615
Joint roll arrangement	2,625	2,545
Printing and postage	4,978	971
Operating lease rentals	4,369	1,462
Telephone	584	338
Portable and attractive equipment	-	3,335
Other	3,158	1,155
Total	36,186	17,484

Disclosure – Supplies and services expenses for the 2017 State General Elections

The commission incurred supplies and services expenditure of \$12.344 million to conduct the 2017 State General Election. In addition, the commission paid out election funding claims of \$11.685 million in total.

Accounting Policy – Operating Lease Rentals

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.

Disclosure – Operating Leases

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease terms extend over a period of 5 to 10 years. The commission has no option to purchase the leased item at the conclusion of the lease although the lease provides for a right of renewal at which time the lease terms are renegotiated.

Operating lease rental expenses comprises the minimum lease payments payable under operating lease contracts. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

B2 EXPENSES (continued)

B2-3 Depreciation and Amortisation

	2018 \$'000	2017 \$'000
Depreciation (Note C5-1)	405	474
Amortisation (Note C6-1)	487	477
Total	892	951

B2-4 Other Expenses

	2018 \$'000	2017 \$'000
Deferred appropriation payable to Consolidated Fund *	(250)	3,368
Insurance - QGIF	19	20
External audit fees **	37	30
Losses from disposal of plant and equipment	121	1
Bad debts	-	3
Inventory written off	105	95
Services provided at below fair value	133	183
Total	165	3,700

Deferred appropriation payable to Consolidated Fund

* The deferred appropriation payable to Consolidated Fund (\$0.250 million) represents the difference between deferred appropriation recognised in 2017-18 (\$3.118 million) and in 2016-17 (\$3.368 million).

Audit Fees

** Total audit fees quoted by the Queensland Audit Office relating to the 2017-18 financial statements are \$36,500 (2017: \$29,800). There are no non-audit services included in this amount.

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

SECTION 3 NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2018 \$'000	2017 \$'000
Imprest accounts	1	1
Cash at bank	9,919	7,858
Total	9,920	7,859

Accounting Policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June.

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.

C2 RECEIVABLES

	2018 \$'000	2017 \$'000
Trade debtors	44	-
GST receivable	49	278
Annual leave reimbursements	75	81
Long service leave reimbursements	2	26
Total	170	385

Accounting Policy – Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

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.

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.

C3 INVENTORIES

	2018 \$'000	2017 \$'000
Inventories held for distribution - at cost	460	1,022
Total	460	1,022

Accounting Policy

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.

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

C4 OTHER CURRENT ASSETS

	2018 \$'000	2017 \$'000
Prepayments	396	2,275
Deposits	-	142
Total	396	2,417

Disclosure – Prepayments

In 2016-17, the commission prepaid \$1.826 million for office accommodation for returning officers in relation to the 2017 State General Election.

C5 PLANT, EQUIPMENT AND DEPRECIATION EXPENSE

C5-1 Closing Balances and Reconciliation of Carrying Amount

	Plant and Equipment		Work in Progress		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Gross	3,846	3,301	-	-	3,846	3,301
Less: Accumulated depreciation	(2,125)	(2,841)	-	-	(2,125)	(2,841)
Carrying amount at 30 June	1,721	460	-	-	1,721	460
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July	460	934	-	-	460	934
Acquisitions	21	-	463	-	484	-
Disposals	(128)	(1)	-	-	(128)	(1)
Transfers between classes	463	-	(463)	-	-	-
Donated assets received	1,310	-	-	-	1,310	-
Depreciation expense	(405)	(474)	-	-	(405)	(474)
Carrying amount at 30 June	1,721	460	-	-	1,721	460

C5-2 Recognition and Acquisition

Accounting Policy – Recognition Thresholds

Items of plant and equipment with a historical 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.

Accounting Policy – Cost of Acquisition

Historical cost is used for the initial recording of all plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition, plus all other costs incurred in getting the assets ready for use.

C5-3 Measurement using Historical Cost

Accounting Policy

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies. The carrying amounts for such plant and equipment at cost is not materially different from their fair value.

C5-4 Depreciation Expense

Accounting Policy

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

Key Judgement: Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the commission.

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.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within plant and equipment.

For the commission's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

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C5 PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C5-4 Depreciation Expense (continued)

Depreciation Rates

Key Estimate: For each class of depreciable asset the following depreciation rates are used:

Class	Useful Life
Plant and equipment:	
Computer equipment	3-8 years
Office equipment	3-8 years
Leasehold improvements	4-5 years
Other equipment	5-11 years

C5-5 Impairment

Accounting Policy

All non-current physical 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.

Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, it is recognised as income.

C6 INTANGIBLES AND AMORTISATION EXPENSE

C6-1 Closing Balances and Reconciliation of Carrying Amount

	Software Internally Generated: At Cost		Software: Work in Progress		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Gross	6,173	6,084	3,004	-	9,177	6,084
Less: Accumulated amortisation	(3,151)	(2,664)	-	-	(3,151)	(2,664)
Carrying amount at 30 June	3,022	3,420	3,004	-	6,026	3,420
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July	3,420	1,021	-	-	3,420	1,021
Acquisitions	-	-	3,093	2,876	3,093	2,876
Transfers between classes	89	2,876	(89)	(2,876)	-	-
Amortisation	(487)	(477)	-	-	(487)	(477)
Carrying amount at 30 June	3,022	3,420	3,004	-	6,026	3,420

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

Disclosure – Electronic Disclosure System (EDS) software

In 2016-17, the commission capitalised EDS project costs of \$2.876M to an intangible asset.

Disclosure – Strategic Elections Management System (SEMS) replacement project

The commission paid an instalment of \$3.004 million to commence the SEMS replacement project in February 2018. The project is expected to go live in February 2019 with the total implementation cost of \$5.006 million.

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C6 INTANGIBLES AND AMORTISATION EXPENSE (continued)

C6-2 Recognition and Measurement

Accounting Policy

Intangible assets of the commission comprise internally developed software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the commission's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

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 internal development of computer software are capitalised and amortised under the amortisation policy below.

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

C6-3 Amortisation Expense

Accounting Policy

All intangible assets of the commission have finite useful lives and are amortised on a straight line basis over their estimated useful life to the commission. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the commission's intangible assets is zero.

Amortisation Rates

Key Estimate: For each class of intangible asset the following amortisation rates are used:

Intangible Asset	Useful Life
Software internally generated	10-12 years

C6-4 Impairment

Accounting Policy

All 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.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the commission, including discontinuing the use of the software or patent. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

C7 PAYABLES

	2018	2017
	\$'000	\$'000
Trade creditors	473	1,525
Refunds to candidates	2	-
Deferred appropriation payable to Consolidated Fund	3,118	3,368
Other	51	64
Total	3,644	4,957

Accounting Policy – 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.

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C8 EQUITY

C8-1 Contributed Equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the commission. The following item is recognised as contributed equity by the commission during the reporting and comparative years:

- Appropriations for equity adjustments (refer [Note C8-2](#)).

C8-2 Appropriations Recognised in Equity

Reconciliation of Payments from Consolidated Fund to Equity Adjustment

	2018	2017
	\$'000	\$'000
Budgeted equity adjustment appropriation	6,269	6,269
Lapsed equity adjustment	(3,302)	(3,606)
Equity adjustment recognised in Contributed Equity	2,967	2,663

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SECTION 4 NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

D1 FINANCIAL RISK DISCLOSURES

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

- Cash and cash equivalents - [Note C1](#);
- Receivables at amortised cost - [Note C2](#);
- Payables at amortised cost - [Note C7](#).

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

The commission does not enter into transactions for speculative purposes, nor for hedging. No financial assets and liabilities are classified at fair value through profit or loss.

D2 CONTINGENCIES

Litigation in Progress

At 30 June 2018, the following cases were filed in the courts naming the State of Queensland acting through the Electoral Commission of Queensland as a party to the matter:

	2018	2017
	Number of cases	Number of cases
Court of Appeal	1	-
Total	1	-

D3 COMMITMENTS

Non-Cancellable Operating Lease Commitments

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2018	2017
	\$'000	\$'000
Not later than 1 year	1,529	1,383
Later than 1 year and not later than 5 years	4,542	5,570
Later than 5 years	-	226
Total	6,071	7,179

Capital Expenditure Commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2018	2017
	\$'000	\$'000
<i>Intangibles</i>		
Not later than 1 year	1,001	-
Later than 1 year and not later than 5 years	1,001	-
Total	2,002	-

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D4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*

These standards will first apply to the commission from its financial statements for 2019-20.

The commission has commenced analysing the new revenue recognition requirements under these standards. No change in accounting treatment is expected for appropriation revenue, revenue from local councils, fines, fees and forfeitures.

The commission does not currently have any revenue contracts with a material impact for the period after 1 July 2018, and will monitor the impact of any such contracts subsequently entered into before the new standards take effect.

A range of new disclosures will also be required by the new standards in respect of the commission's revenue.

AASB 9 *Financial Instruments* and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

These standards will first apply to the commission from its financial statements for 2018-19 with a 1 July 2018 date of transition. The main impacts of these standards on the commission are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the commission's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The commission has reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact (or ranges of estimates) of AASB 9 which will change the categorisation and valuation of the amounts referred to in **Note D1**:

- There will be no change to either the classification or valuation of the cash and cash equivalent item.
- All receivables listed in **Note D1** will continue to be measured at amortised cost. The commission has assessed that there is no impairment in respect of its receivables and therefore does not expect a material change in the reported value of receivables.
- All financial liabilities listed in **Note D1** will continue to be measured at amortised cost. The commission does not expect a material change in the reported value of financial liabilities.

These changed amounts will form the opening balance of those items on the date AASB 9 is adopted. However, the commission will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that the commission enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

AASB 16 *Leases*

This standard will first apply to the commission from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for Lessees

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117 and shown at **Note D3**) will be reported on the Statement of Financial Position under AASB 16.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

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D4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE (continued)

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the commission will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

The commission has analysed its existing operating lease commitments at Note D3 by type of lessor and type of lease to estimate the expected impacts on transition based on information available at 30 June 2018.

Approximately 90% (\$5.453 million) of the commission's operating lease commitments comprise arrangements with other Queensland Government agencies as lessor (i.e. internal-to-Government leases). The remaining 10% (\$0.618 million) of operating lease commitments are with lessors external to Government.

Internal-to-Government leases

At 30 June 2018, the commission has operating lease commitments of \$5.453 million and annual lease payments of \$1.234 million per year for office accommodation.

Considering their operation and impact across the whole-of-Government, the commission is currently awaiting formal guidance from Queensland Treasury as to whether these arrangements should be accounted for on-balance sheet under AASB 16.

In the event these arrangements are to be accounted for on-balance sheet, the commission estimates a right-of-use asset and lease liability on transition of approximately \$5.090 million for office accommodation leases based on current operating lease commitments.

The commission also has a number of cancellable motor vehicle leases with QFleet that are not presently included as part of the operating lease commitments note as they do not constitute a lease under AASB 117 and Accounting Interpretation 4. The commission is also awaiting confirmation from Queensland Treasury that QFleet arrangements will continue to fall outside the requirements of AASB 16 for on-balance sheet accounting.

External-to-Government leases

At 30 June 2018, the commission has operating lease commitments with external lessors totalling \$0.618 million for storage facilities. The commission estimates a right-of-use asset (and corresponding lease liability) would be recognised in the Statement of Financial Position on transition of approximately \$0.584 million.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the commission's activities, or have no material impact on the commission.

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SECTION 5 NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section discloses the commission's original published budgeted figures for 2017-18 compared to actual results, with explanations of major variances, in respect of the commission's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

E2 BUDGET TO ACTUAL COMPARISON - STATEMENT OF COMPREHENSIVE INCOME (Controlled Activities)

		2018	2018	
	Variance	Original	Actual	Budget
	Note	Budget	Result	Variance
		\$'000	\$'000	\$'000
Income from Continuing Operations				
Appropriation revenue		55,247	54,887	(360)
User charges and fees		30	89	59
Contributions	1	-	1,356	1,356
Total Revenue		55,277	56,332	1,055
Total Income from Continuing Operations		55,277	56,332	1,055
Expenses from Continuing Operations				
Employee expenses	2	16,342	17,790	1,448
Supplies and services	3	38,033	36,186	(1,847)
Depreciation and amortisation		827	892	65
Other expenses		75	165	90
Total Expenses from Continuing Operations		55,277	55,033	(244)
Operating Result for the Year		-	1,299	1,299
Other Comprehensive Income		-	-	-
Total Comprehensive Income		-	1,299	1,299

E2-1 Explanation of Major Variances – Statement of Comprehensive Income

1. This variance substantially arises from a \$1.310 million non-budgeted contribution made by the Department of Housing and Public Works for fit-out to the new leased office accommodation at Level 20, 1 Eagle Street Brisbane.
2. The variance in employee expenses primarily relates to an under-estimation of expenditure for the 2017 State General Elections and for Local Government by-elections.
3. The variance in supplies and services expenses was due to a lower than expected volume of elections funding claims and delay in the SEMS replacement project.

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E3 BUDGET TO ACTUAL COMPARISON - STATEMENT OF FINANCIAL POSITION

	Variance Note	2018 Original Budget \$'000	2018 Actual Result \$'000	Budget Variance \$'000
Current Assets				
Cash and cash equivalents	4	2,938	9,920	6,982
Receivables	5	4,215	170	(4,045)
Inventories		743	460	(283)
Other current assets		325	396	71
Total Current Assets		8,221	10,946	2,725
Non-Current Assets				
Plant and equipment	6	83	1,721	1,638
Intangible assets	7	9,382	6,026	(3,356)
Total Non-Current Assets		9,465	7,747	(1,718)
Total Assets		17,686	18,693	1,007
Current Liabilities				
Payables	8	872	3,644	2,772
Accrued employee benefits		243	449	206
Total Current Liabilities		1,115	4,093	2,978
Total Liabilities		1,115	4,093	2,978
Net Assets / Total Equity		16,571	14,600	(1,971)

E3-1 Explanation of Major Variances – Statement of Financial Position

- The original budget did not include a \$3.118 million deferred appropriation payable to Consolidated Fund recognised at the end of 2017-18 financial year. In addition, the opening cash balance amount in the original budget does not reflect the closing balance reported in 2016-17 budget of \$7.194 million (a variance of \$4.256 million).
- The original budget included receivables of cost recoveries from the Local Government by-elections. The actual revenue received from Local Councils was recorded in the administered account. The error was rectified in the 2018-19 budget.
- The actual amount of plant and equipment is higher than budget due to the fit-out of the new leased office accommodation at 1 Eagle Street, Brisbane, which was sourced from a contribution from the Department of Housing and Public Works and \$0.463 million provided by the commission.
- The variance is mainly due to the deferral of capital expenditure of \$3.302 million for the SEMS replacement project.
- The variance in payables is primarily attributable to \$3.118 million deferred appropriation payable to the Consolidated Fund (refer [Note C7](#)).

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E4 BUDGET TO ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

	Variance Note	2018 Original Budget \$'000	2018 Actual Result \$'000	Budget Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Service appropriation receipts		55,247	54,887	(360)
User charges and fees		30	81	51
GST input tax credits from ATO		890	2,573	1,683
GST collected from customers		2	1	(1)
<i>Outflows:</i>				
Employee expenses	2	(16,342)	(17,707)	(1,365)
Supplies and services	3	(38,083)	(34,771)	3,312
GST paid to suppliers		(840)	(2,343)	(1,503)
GST remitted to ATO		(2)	(1)	1
Other		(75)	(56)	19
Net cash provided by (used in) operating activities		827	2,664	1,837
Cash flows from investing activities				
<i>Inflows:</i>				
Sales of plant and equipment		-	7	7
<i>Outflows:</i>				
Payments for plant and equipment	9	(79)	(484)	(405)
Payments for intangibles	7	(6,306)	(3,093)	3,213
Net cash provided by (used in) investing activities		(6,385)	(3,570)	2,815
Cash flows from financing activities				
<i>Inflows:</i>				
Equity injections	7	6,345	3,043	(3,302)
<i>Outflows:</i>				
Equity withdrawals		(76)	(76)	-
Net cash provided by (used in) financing activities		6,269	2,967	(3,302)
Net increase (decrease) in cash and cash equivalents		711	2,061	1,350
Cash and cash equivalents - opening balance		2,227	7,859	5,632
Cash and cash equivalents - closing balance		2,938	9,920	6,982

E4-1 Explanation of Major Variances – Statement of Cash Flows

- The variance is principally due to over-budgeted spending of \$0.463 million on fit-out and infrastructure required as part of the relocation to the new office at 1 Eagle Street, Brisbane.

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SECTION 6 WHAT WE LOOK AFTER ON BEHALF OF WHOLE-OF-GOVERNMENT AND THIRD PARTIES

F1 ADMINISTERED ITEMS

The commission administers, but does not control, certain activities on behalf of the Government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the commission's own objectives.

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

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

F1-1 Schedule of Administered Income and Expenditure

	2018 \$'000	2017 \$'000
Administered Income		
Revenue from local councils	1,843	162
Fines and forfeitures	5	2,414
Total Administered Income	1,848	2,576
Administered Expenses		
Transfers of Administered Income to Government	1,844	2,562
Other expenses	4	14
Total Administered Expenses	1,848	2,576

F1-2 Schedule of Administered Assets and Liabilities

	2018 \$'000	2017 \$'000
Administered Assets		
<i>Current</i>		
Cash	(13)	(22)
Receivables	889	125
Total Current Assets	876	103
Administered Liabilities		
<i>Current</i>		
GST Payable	82	-
Payable to Government	794	103
Total Current Liabilities	876	103

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F1 ADMINISTERED ITEMS (continued)

F1-3 Administered Activities - Budget to Actual Comparison and Variance Analysis

This note compares the original published budgeted figures for 2017-18 to actual results in respect of the commission's major classes of administered income, expenses, assets and liabilities. An explanation of major variances is also included.

	Variance Note	2018 Original Budget \$'000	2018 Actual Result \$'000	Budget Variance \$'000
INCOME AND EXPENDITURE				
Administered Income				
Revenue from local councils	10	580	1,843	1,263
Fines and forfeitures	11	1,400	5	(1,395)
Total Administered Income		1,980	1,848	(132)
Administered Expenses				
Transfers of Administered Income to Government		1,980	1,844	(136)
Other expenses		-	4	4
Total Administered Expenses		1,980	1,848	(132)
ASSETS AND LIABILITIES				
Administered Assets				
<i>Current</i>				
Cash		60	(13)	(73)
Receivables		32	889	857
Total Current Assets		92	876	784
Administered Liabilities				
<i>Current</i>				
GST Payable		-	82	82
Payable to Government		92	794	702
Total Current Liabilities		92	876	784

Notes Explaining Major Variances for Administered Activities

10. The actual revenue from local councils exceeded the budgeted figure due to higher than expected cost recoveries for the Local Government by-elections.
11. The variance is due to a delay in issuing notices to non-voters after the 2017 State General Election.

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SECTION 7 OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Details of Key Management Personnel

The commission's responsible Minister is identified as part of the commission's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Attorney-General and Minister for Justice.

The following details for non-Ministerial KMP reflect those commission positions that had authority and responsibility for planning, directing and controlling the activities of the commission during 2017-18 and 2016-17. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
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.
Assistant Electoral Commissioner	To provide direct support to the Electoral Commissioner in preparing for, conducting and reporting on elections in Queensland. In addition, Assistant Electoral Commissioner holds the position of Chair of the Elections Planning, Information Management and Information and Communications Technology committees ensuring strategic directions of the commission are met.
Director, Readiness	To lead the Event Planning and Information, Communication and Technology Units by ensuring quality electoral services to key stakeholders throughout Queensland.
Director, Elections, Disclosure and Spatial	To lead the Elections, Funding and Disclosure and Spatial Units by ensuring the commission complies with the responsibilities and obligations as prescribed in the <i>Electoral Act 1992</i> and <i>Local Government Act 2011</i> .
Director, Integrity	To lead and deliver an integrated and practical approach to effective governance, communications and business improvements for the commission.
Chief Finance Officer	To lead the Finance Unit and perform the legislated responsibilities of the Chief Finance Officer.

KMP Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The commission does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements for the 2017-18 financial year, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the commission's other KMP 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*. Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

Remuneration expenses for those key management personnel comprise the following components:

Short term employee expenses, including:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Performance bonuses are not paid under the contracts in place.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

Remuneration Expenses

The following disclosures focus on the expenses incurred by the commission that are attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

2017-18

Position	Short Term Employee Expenses		Long Term Employee Expenses		Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	Monetary Expenses \$'000	Non-Monetary Benefits \$'000			
Electoral Commissioner (Acting from 13/02/2018)	137	1	2	13			\$'000
Electoral Commissioner (to 16/02/2018)	218	2	4	20			153
Assistant Electoral Commissioner (to 12/02/18, from 18/05/18)	185	2	4	22			244
Assistant Electoral Commissioner (Acting from 19/02/18 to 13/05/18)	69	1	1	6			213
Director, Readiness (to 18/02/18, from 14/05/18)	104	2	2	13			77
Director, Readiness (Acting from 5/03/18 to 13/05/18)	30	-	1	3			121
Director, Elections, Disclosure and Spatial	159	3	3	19			34
Director, Integrity (from 08/05/2018)	24	-	-	3			184
Director, Integrity (Acting to 07/05/2018)	119	-	3	15			27
Chief Finance Officer	131	-	3	14			137
							148

2016-17

Position	Short Term Employee Expenses		Long Term Employee Expenses		Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	Monetary Expenses \$'000	Non-Monetary Benefits \$'000			
Electoral Commissioner	252	2	5	29			\$'000
Assistant Electoral Commissioner	231	3	5	28			288
Director, Business Services (to 19/08/2016)	8	-	-	2			267
Director, Readiness (from 08/08/2016)	125	2	2	16			78
Director, Elections, Disclosure and Spatial (from 17/08/2016)	129	1	3	15			145
Director, Integrity (01/08/2016 to 09/12/2016)	43	-	1	5			148
Chief Finance Officer (from 09/01/2017)	60	-	1	6			78
							67

Financial Statements

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2018

G2 RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

Based upon KMP declarations, there have been no transactions with related parties that have materially affected the commission's operating result and/or financial position.

Transactions with other Queensland Government-controlled entities

The commission's primary ongoing sources of funding from the Government for its services are appropriation revenue ([Note B1-1](#)) and equity injections ([Note C8-1](#) and [C8-2](#)), both of which are provided in cash via Queensland Treasury.

The commission receives property tenancy and maintenance services from the Department of Housing and Public Works.

G3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Changes in Accounting Policy

The commission did not voluntarily change any of its accounting policies during 2017-18.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2017-18.

Accounting Standards Applied for the First Time

AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* requires the disclosure of information that will allow users to understand changes in liabilities arising from financing activities. This amendment had no effect as the commission had no financing activities apart from equity injections and withdrawals.

AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle* clarifies the scope of AASB 12 by specifying that the disclosure requirements of AASB 12 apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. This amendment had no effect as the commission had no interests in relevant entities held for sale or discontinued operations.

G4 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 to [Note C2](#)).

Financial Statements

Electoral Commission of Queensland Management Certificate

for the year ended 30 June 2018

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 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 financial 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 2018 and of the financial position of the commission at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Maya Marpudin
Chief Finance Officer

Date 20-Aug-18



Pat Vidgen
Acting Electoral Commissioner

Date 20-Aug-18

Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Electoral Commissioner of the Electoral Commission of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Electoral Commission of Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Financial Statements



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

A handwritten signature in black ink, appearing to read 'J Welsh'.

John Welsh
as delegate of the Auditor-General

24 August 2018

Queensland Audit Office
Brisbane

Appendices

Appendices

Glossary

AEC	Australian Electoral Commission
AFTV	Apparent Failure to Vote (Notice)
AO	Administration Officer
ARC	Audit and Risk Committee
CCC	Crime and Corruption Commission
CEO	Chief Executive Officer (Commissioner)
CIT	Change and Information Technology Committee
DLGRMA	Department of Local Government, Racing and Multicultural Affairs
ECQ	Electoral Commission of Queensland
ECL	Electronic Certified List, an electronic electoral roll
EDS	Electronic Disclosure System
EGP	Election Gateway Project
EPC	Elections Planning Committee
FFP	Formal First Preference
FTE	Full Time Equivalent
HR	Human Resources
IS	Information Standards
LGCC	Local Government Change Commission
PIN	Penalty Infringement Notice
PSC	Public Service Commission
RO	Returning Officer
SES	Senior Executive Service (Assistant Commissioner)
SMT	Senior Management Team
SO	Senior Officer (Directors)
VIC	Voter Information Card

Appendix 1 - Legislation implemented by the Commission

Legislation implemented by the Electoral Commission of Queensland

Electoral Act 1992

Local Government Electoral Act 2011

Referendums Act 1997

Electoral Regulation 2013

Local Government Electoral Regulation 2012

Appendices

Appendix 2 - Service Delivery Statement 2017-2018

Electoral services

Electoral Commission of Queensland	Notes	2017-18 Target/Est.	2017-18 Est. Actual
Service area: Electoral Services			
Service standards			
<i>Effectiveness measures</i>			
Level of informal voting state general election		4%	4.3%
Level of informal voting in local government elections	1
Level of stakeholder satisfaction with the overall state general election process		85%	84%
Level of stakeholder satisfaction with the overall local government election process	1
Level of eligible electors not on the electoral roll	2	6%	4.9%
Level of manual electoral forms/materials not required due to innovation		5%	5%
<i>Efficiency measures</i>			
Cost of state general election per elector	3	\$8.00	\$8.63
Cost of local government election per elector	1
Cost of public information and awareness campaigns per elector for the state general election		\$0.59	\$0.43
Cost of public information and awareness campaigns per elector for the local government election	1

Notes:

1. This is a quadrennial measure only; there were no local government quadrennial elections held in the 2017-18 reporting period.
2. The Commission through its communications actively engages with key demographic bodies within the community to increase the participation of eligible voters in the Queensland electoral system. This is a joint responsibility of the Commission with the Australian Electoral Commission (AEC).
3. A full State General Election was held in 2017-18. Due to the State redistribution there was an increase in the number of seats and significant boundary changes which contributed to cost increases.

Spatial services

Electoral Commission of Queensland	Notes	2017-18 Target/Est.	2017-18 Est. Actual
Service area: Spatial Services			
Service standards <i>Effectiveness measure</i> Level of polling booths taking less than 100 votes		2%	3.2%
<i>Efficiency measures</i> Cost of local government boundary review per elector	1	\$0.10	...
Cost of the state redistribution per elector	2	\$0.51	...

Notes:

1. The Local Government Change Commission is formed each time the Electoral Commission of Queensland receives a referral from the Minister responsible for Local Government for a local government change or boundary review in accordance with the *Local Government Act 2009* and the *City of Brisbane Act 2010*. The Commission did not receive any referrals in 2017-18 there is no result to report in 2017-18.
2. As the State General Election was called after the State redistribution in 2017, electors were made aware of boundary changes through the voter information card. This expense was absorbed in the costs for the State election.

Appendices

Appendix 3 - Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs - section 7	vi
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs - section 9.1	ii - v 79
	<ul style="list-style-type: none"> Public availability 	ARRs - section 9.2	i
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs - section 9.3	i
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs - section 9.4	i
	<ul style="list-style-type: none"> Information Licensing 	QGEA - Information Licensing ARRs - section 9.5	i
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs - section 10.1	1 - 2
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs - section 10.2	4
	<ul style="list-style-type: none"> Operating environment 	ARRs - section 10.3	6 - 7

Appendices

Summary of requirement		Basis for requirement	Annual report reference
Non-financial performance	• Government's objectives for the community	ARRs - section 11.1	5
	• Other whole-of-Government plans/specific initiatives	ARRs - section 11.2	31
	• Agency objectives and performance indicators	ARRs - section 11.3	10 - 31
	• Agency service areas and service standards	ARRs - section 11.4	8 - 9
Financial performance	• Summary of financial performance	ARRs - section 12.1	34 - 35
Governance - management and structure	• Organisational structure	ARRs - section 13.1	86
	• Executive management	ARRs - section 13.2	36 - 37
	• Government bodies (statutory bodies and other entities)	ARRs - section 13.3	17 - 18
	• <i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs - section 13.4	39
	• Queensland public service values	ARRs - section 13.5	4
Governance - risk management and accountability	• Risk management	ARRs - section 14.1	40
	• Audit committee	ARRs - section 14.2	39
	• Internal audit	ARRs - section 14.3	40
	• External scrutiny	ARRs - section 14.4	41
	• Information systems and recordkeeping	ARRs - section 14.5	42

Appendices

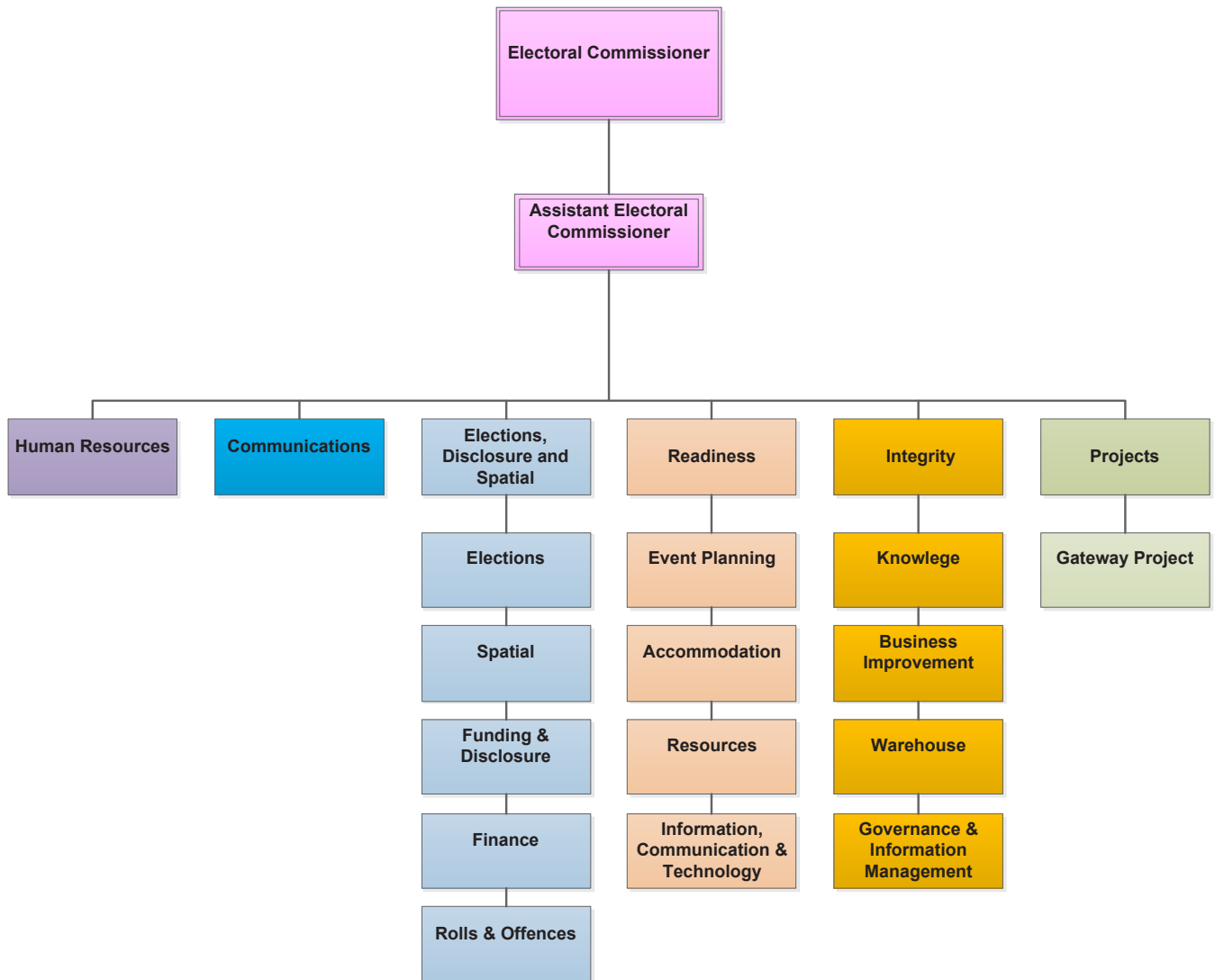
Summary of requirement		Basis for requirement	Annual report reference
Governance - human resources	• Strategic workforce planning and performance	ARRs - section 15.1	22
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs - section 15.2	24
Open Data	• Statement advising publication of information	ARRs - section 16	42
	• Consultancies	ARRs - section 33.1	42
	• Overseas travel	ARRs - section 33.2	42
	• Queensland Language Services Policy	ARRs - section 33.3	42
Financial statements	• Certification of financial statements	FAA - section 62 FPMS - sections 42, 43 and 50 ARRs - section 17.1	74
	• Independent Auditor's Report	FAA - section 62 FPMS - section 50 ARRs - section 17.2	75 - 77

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

Appendix 4 - Organisational structure





ELECTORAL COMMISSION
QUEENSLAND

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