



Electoral Commission
of Queensland

ANNUAL REPORT

2013-14



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

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

ELECTORAL COMMISSION OF QUEENSLAND



GPO Box 1393
BRISBANE QLD 4001



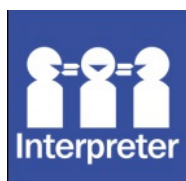
1300 881 665



(07) 3229 7391



ecq@ecq.qld.gov.au



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Electoral Commission of Queensland

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Annual Report 2013-14

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21 October 2014

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

Dear Attorney

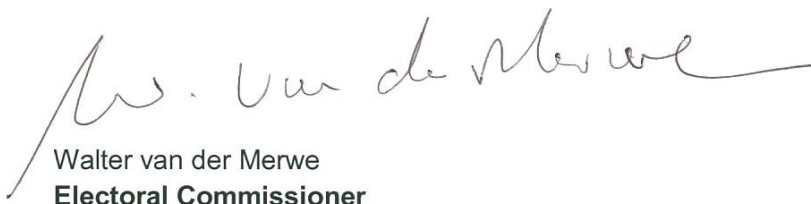
I am pleased to present the Annual Report 2013-2014 and financial statements for the Electoral Commission of Queensland.

I certify that this Annual Report complies with:

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

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

Yours sincerely



Walter van der Merwe
Electoral Commissioner

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ELECTORAL COMMISSIONER'S FOREWORD



With a Queensland State General election due in the 2014-15 financial year, Commission staff have been hard at work with preparations. In years past, the 12 months prior

to an election year was spent significantly progressing and solely focusing on election readiness however, there has been a raft of election activity in 2013-14, which included: the Redcliffe by-election; nine Local Government by-elections and four New elections (a result of the de-amalgamation polls conducted in 2012-13).

In conducting these elections, the Commission managed the electoral roll for 2.881 million electors, which increased from 2.784 million in 2012-13.

While Local Government electoral events again dominated the Commission's calendar, of particular concern was the activity of political supporters at the Redcliffe by-election. The Commission received a number of complaints from the public, which was intensified by reports from the media. Consequently, I launched an inquiry into canvassing, election material and scrutineers at the by-election. The inquiry was finalised in April 2014 and made recommendations to better regulate political activity at polling booths. A copy of the inquiry is available via the Commission's website.

During the reporting period, a number of amendments were made to the *Electoral Act 1992* and amendments proposed for the *Local Government Electoral Act 2011*. Among the key changes to the Electoral Act was the introduction of a proof of identity requirement for electors looking to cast an ordinary vote, electronically assisted voting and

significant reforms to funding and disclosure provisions. The proposed changes for the Local Government Electoral Act largely sought to harmonise State and Local Government electoral legislation.

In terms of impact, legislative amendments to the Electoral Act considerably affected the conduct of State electoral events. Administratively, the Commission was required to modernise process and procedure; and revise forms, materials and online/offline publications. The Commission's updated processes and procedures were successfully tested at the Stafford by-election on 19 July 2014. More information will be provided in the Commission's 2014-15 annual report.

In last year's annual report I reported an interest in developing and implementing initiatives to make the voting process more accessible for the blind and low vision. In anticipation of electronically assisted voting provisions receiving assent in May 2014, the Commission began progressing two initiatives, eAssist and Telephone Voting. The eAssist Voting System allows electors to electronically mark and print a ballot paper by following audio prompts whereas, Telephone Voting will allow electors to vote from any telephone after registering prior to an electoral event. Both initiatives will be accessible by qualifying electors at all State elections and by-elections occurring in the 2014-15 financial year.

During the reporting period the Commission continued to make enhancements to the election management system, which included the relocation of web servers; and purchased tablets to replace the aging palm pilots used to check elector enrolment at polling booths.

2014-15 will be a challenging, but exciting year. With the Queensland State General election

due in the 2014-15 reporting period and a number of initiatives to be rolled out, it will be the most accessible State election to date.



Left: Ms Cecily Pearson, Deputy Official Secretary, Office of the Governor; His Excellency the Honourable Paul de Jersey AC, Governor of Queensland; and Walter van der Merwe, Electoral Commissioner of Queensland.

On the horizon is the Commission's new public website, which has been designed to make electoral information more easily accessible and be compatible with mobile devices. Additionally, the Commission plans to replace traditional paper certified lists with Electronic Certified Lists (ECLs) at limited locations. This change will reduce voting queue times, paper certified list processing costs and provide real time elector voting data.

Last, but not least, I would like to thank everyone who has worked at and for the Commission over the last 12 months. Without your hard work, dedication and passion for elections, the Commission would not be in the great position it is in heading into an election year.

A handwritten signature in dark ink, appearing to read 'W. van der Merwe'.

Walter van der Merwe
Electoral Commissioner

Objective 1:

Administering Queensland's electoral laws, impartially and independently

The Electoral Commission of Queensland was established in accordance with the *Electoral Act 1992*. The Commission is a statutory authority that independently administers Queensland's electoral laws.

Our vision

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

Our purpose

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

Our values

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

Our objectives

- Administering Queensland's electoral laws, impartially and independently.
- Conducting free and democratic Parliamentary, Local Government and industrial elections.
- Promoting the informed participation and confidence of Queenslanders in the electoral system.
- Providing quality electoral services to stakeholders.
- Managing a comprehensive process for the review of electoral boundaries.

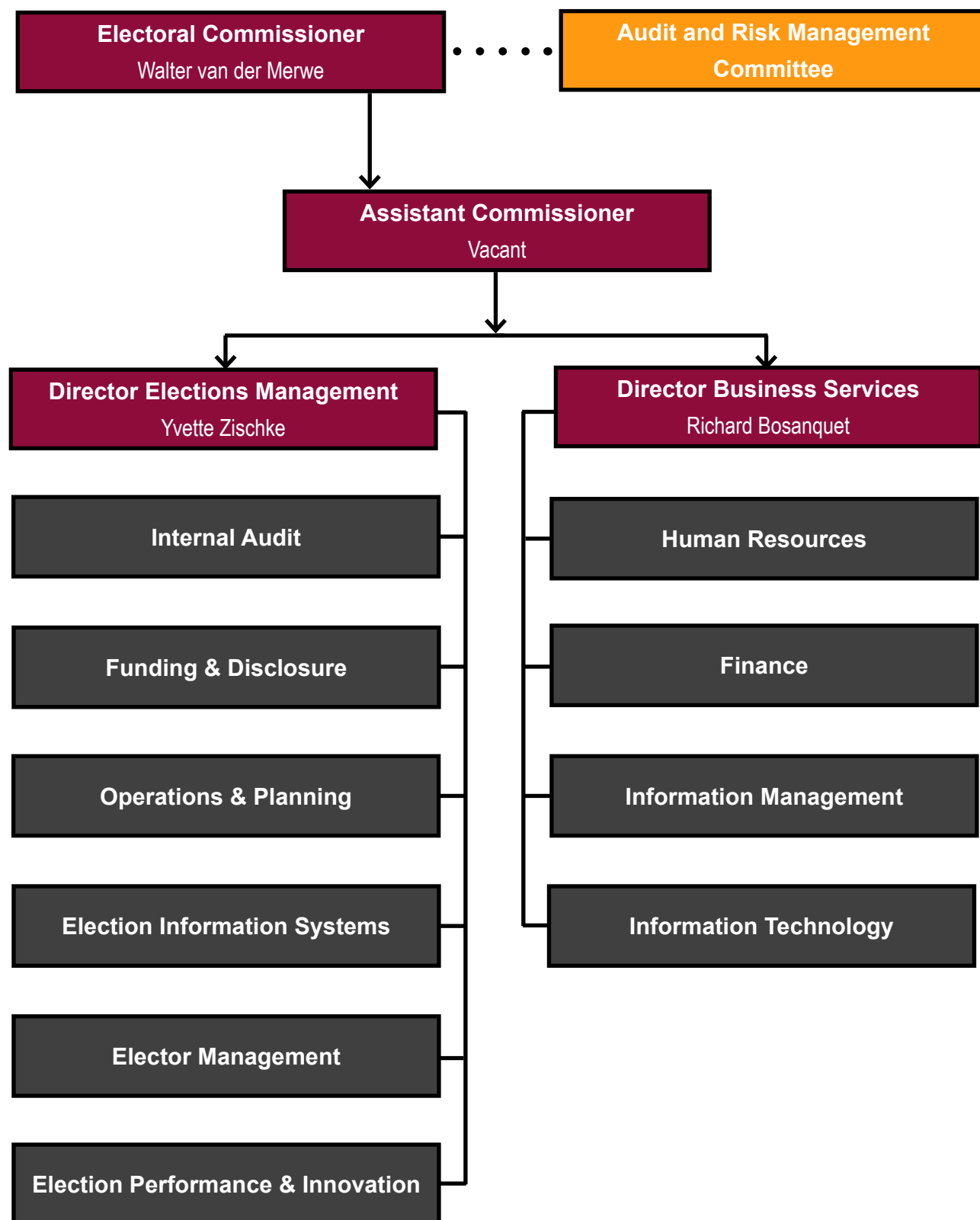
Our services

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

Related entities

- Local Government Change Commission (see the Objective 5 section for more information).

Organisational chart



Executive management group (EMG)

Position	Description
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 Commissioner	To assist the Electoral Commissioner with the day-to-day running of the Electoral Commission of Queensland.
Director Elections Management	To lead the Elections Management Branch by ensuring the Electoral Commission of Queensland complies with all legislative responsibilities and obligations contained within both the <i>Electoral Act 1992</i> and the <i>Local Government Electoral Act 2011</i> , as well as perform the legislated responsibilities of Head of Internal Audit for the Commission.
Director Business Services	To lead the Business Services Branch in the management and coordination of all election support operations of the Electoral Commission of Queensland, as well as perform the legislated responsibilities of the Chief Finance Officer for the Commission.

Human resources

Actual staff as at 30 June 2014—

	AO3	AO4	AO5	AO6	AO7	AO8	SO	SES2	CEO	TOTAL
Permanent	2	7	8	7	6	1	1	0	1	33
Temporary	5	2	1	3	0	0	1	0	0	12
Total	7	9	9	10	6	1	2	0	1	45

Note:

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

The Commission engages casual employees on an 'as needs basis' and during the 2013-14 financial year the number of casual employees engaged was 12 (2013: 15).

There were no separations from the Commission in the 2013-14 financial year.

Approved establishment as at 30 June 2014—

	AO3	AO4	AO5	AO6	AO7	AO8	SO	SES	CEO	TOTAL
Positions	7	13	10	12	6	1	2	1	1	53

The Commission promotes a flexible working environment. During the 2013-14 financial year, the Commission's "Hours of Work" Policy was updated to incorporate flexible work arrangements. Flexible work arrangements available to Commission staff include: part-time work; work from home; telecommuting; compressed hours; job share; and leave without pay – career break.

Through an established performance management framework, the Commission develops and manages staff performance. The framework consists of an annual development plan and a performance review completed bi-annually.



Casual Commission staff engaged in training.

Consultancies and overseas travel

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

Early retirement, redundancy and retrenchment

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

Public sector renewal program

The Commission participated in the 2014 Working for Queensland Employee Opinion Survey. The Commission participation rate was 58% compared with 42% by the Queensland Public Sector. Survey results were tabled to

Senior Management. As at 30 June 2014, the Commission was in the process of developing an action plan to address improvement areas identified from the survey.

Legislative reform

Electoral Reform Amendment Act 2014

The *Electoral Reform Amendment Act 2014* received assent on 28 May 2014 and amended key provisions of the *Electoral Act 1992*.

The amendments related to—

- Postal voting—
 - The removal of postal vote qualifications so electors can cast a postal vote without a reason.

Foreword	<ul style="list-style-type: none"> Return of candidate deposits— <ul style="list-style-type: none"> The percentage of formal first preference votes required to be attained by a candidate in order to qualify for a refund of their deposit was increased from 4% to 6%. Introduction of electronically assisted voting for electors who, due to their personal circumstances, are unable to cast an ordinary vote at a polling booth.
Objective 1	<ul style="list-style-type: none"> The introduction of the requirement for electors to produce a proof of identity document in order to cast an ordinary vote at a polling booth. New rules in relation how-to-vote cards— <ul style="list-style-type: none"> the Commission must now publish on its website copies of the how-to-vote cards approved for distribution on polling day; and the Commission must now reject a how-to-vote card if it is likely to mislead or deceive an elector in voting.
Objective 2	<ul style="list-style-type: none"> Financial disclosure— <ul style="list-style-type: none"> the requirement to lodge a disclosure return about gifts, expenditure and debts has moved from bi-annual to annual; removal of the requirements to keep a state campaign account; and the disclosure threshold for gifts has been increased to the same level required by the Commonwealth Electoral Act (\$12,800 for the 2014-15 financial year).
Objective 3	<ul style="list-style-type: none"> The removal of caps that limited the value of political gifts and electoral expenditure that could be made. Introduction of 'Policy Development Payments' for parliamentary political parties— <ul style="list-style-type: none"> Set by regulation, the amount of \$3 million is paid to eligible registered political parties based on the number of relevant candidates endorsed by the party.
Objective 4	<ul style="list-style-type: none"> Changes to Election funding for registered political parties and candidates— <ul style="list-style-type: none"> reimbursement of expenditure based on a the number of votes attained; and broadening of the definition of 'electoral expenditure' means more items now qualify for reimbursement.
Objective 5	
Financial Summary	<p>The changes to the Act have had some significant impacts across the Commission's areas of business. New internal policies and procedures have been implemented and the Commission is revising many of its external publications and its website content.</p>
Financial Statements	<p><i>Local Government Legislation Amendment Bill 2014</i></p> <p>The Minister for Local Government introduced the Local Government Legislation Amendment Bill to parliament on the 3rd of June 2014. The Bill proposed changes to the <i>Local Government Electoral Act 2011</i> which parallel a number of amendments made to the <i>Electoral Act 1992</i> through the <i>Electoral Reform Amendment Act 2014</i>. The key proposed amendments are noted in the table below—</p>

Subject	Amendment
Chief Executive Officers (CEOs)	<ul style="list-style-type: none"> The Chief Executive Officer (CEO) of the Local Council is the default Returning Officer subject to a number of conditions. CEOs undertaking the role of Returning Officer must prepare a plan for the conduct of the election and give the plan to the Electoral Commissioner for approval.
Enrolment	<ul style="list-style-type: none"> Rather than close on the 31st of January in the year of election, it is proposed that the roll closes five to seven days following the Notice of the election. Electors can update their enrolment details after the close of the voters roll up to 6pm the Friday before polling day.
Nomination	<ul style="list-style-type: none"> The nominations period parallels the timeframe prescribed by the Electoral Act. Candidates can use an Electronic Funds Transfer (EFT) payment facility to lodge their nomination.
Proof of Identity (POI)	<ul style="list-style-type: none"> Electors who cast an ordinary vote are required to provide proof of identity prior to receiving ballot papers.
Voting	<ul style="list-style-type: none"> All Mayoral elections to use optional preferential voting. Introduction of electronically assisted voting for electors who, due to their personal circumstances, are unable to cast an ordinary vote at a polling booth. The removal of postal vote qualifications for attendance ballots so electors can cast a postal vote without a reason.
Counting	<ul style="list-style-type: none"> Inclusion of provisions that empower the Commission to conduct a re-count of some or all of the ballot papers for an election.
Funding and Disclosure	<ul style="list-style-type: none"> Harmonisation of— <ul style="list-style-type: none"> Authorised Officer provisions with the Electoral Act to deal with issues regarding compliance under the Local Government Electoral Act. The disclosure period for sitting Councillors with continuing candidates.

If assented, this bill may significantly affect the conduct of future Local Government electoral events. From an administrative and procedural perspective however, many of the amendments more closely align the *Local Government Electoral Act 2011* with the *Electoral Act 1992*, which will create greater efficiencies.

Industrial Relations (Fair Work Act Harmonisation No. 2) and Other Legislation Amendment Bill 2013

On 1 December 2013, with the passing of the *Industrial Relations (Fair Work Act Harmonisation No. 2) and Other Legislation Amendment Bill 2013*, the *Industrial Relations Act 1999* was amended to attribute the responsibility of conducting Protected Action Ballots to the Commission.

The introduction of Protected Action Ballots provides employees with the opportunity to vote

on industrial action. Protected action ballot applications are lodged with the Queensland Industrial Relations Commission (QIRC) and if approved, the QIRC issues the Commission with a direction to conduct the ballot.

With the extension of nominal expiry dates by up to one year and the modernisation of Queensland Awards, the QIRC temporarily suspended the lodgement of protected action ballot applications from 1 December 2013.

Failure to vote

Under provisions contained in the *Electoral Act 1992* and the *Local Government Electoral Act 2011*, the Commission is required to conduct a non-voter process following each State and Local Government electoral event. Voting is compulsory and it is an offence to fail to vote at an election without a valid and sufficient reason.

Process

The Commission administers a two stage process—

- The Commission initially issues an ‘Apparent Failure to Vote Notice’ to electors who appear to have failed to vote at an election; then, if necessary,
- ‘Infringement Notices’ are issued to electors who—
 - do not respond; or
 - fail to respond adequately to the ‘Apparent Failure to Vote Notice’.

Through the ‘Apparent Failure to Vote Notice’ and the ‘Infringement Notice’, electors can reply with their reason for not voting, pay the fine or elect to have the matter heard in court. Once the legislative timeframe for this two stage process has lapsed, all unresolved matters are referred to State Penalties Enforcement

Registry (SPER) for further action.

Collection and remittance

Fines collected are treated as Administered Funds collected on behalf of the Government and are remitted to Queensland Treasury.

During the 2013-14 reporting period, the Commission collected and remitted failure to vote fines to Queensland Treasury for the—

- Redcliffe State by-election;
- New Local Government elections (Douglas, Livingstone, Mareeba and Noosa Councils); and
- Eight Local Government by-elections.

The regulated penalty unit value was recently increased from \$110 to \$113 and will apply from 1 July 2014.

Litigation

Failure to Vote

Crown Law represented the Commission at 14 failure to vote matters during the 2013-14 financial year. Five matters concerned the 2012 Queensland State General election, whilst the other nine related to the 2012 Local Government elections. The outcomes to these court cases were as follows—

- Two matters were withdrawn by the Commission as a result of receiving valid and sufficient excuses for not voting prior to the trial date.
- Two matters were dismissed by the court due to a lack of evidence.
- Ten matters were ruled in favour of the Commission with two electors receiving a recorded conviction. Two of these matters are currently under appeal and will be heard in the latter part of July 2014.

Funding and disclosure

In 2013-14, Crown Law on behalf of the Commission prosecuted one candidate under funding and disclosure legislation introduced in 2011, for failing to lodge a disclosure return for the 2012 Queensland State General election. The prosecution resulted in a monetary fine, but no conviction.

Election funding

A scheme for the reimbursement of electoral expenditure to registered political parties and candidates contesting State elections is provided in the *Electoral Act 1992*.

An eligibility threshold is set at 6% of the formal first preference vote. That is, candidates must achieve a formal first preference vote of at

least 6% of the total formal first preference vote in their electoral district. In cases where the candidate is endorsed by a registered political party then the party may also claim funding.

Election funding can be claimed as a reimbursement of electoral expenditure for the election capped by calculating the number of formal first preference votes gained by the candidate multiplied by the appropriate election funding amount. The election funding amounts for the 2013-14 financial year were—

- \$1.45 for an eligible candidate; and
- \$2.90 for an eligible registered political party.

These amounts are adjusted in line with CPI movements each year on 1 July.

Parliamentary by-elections

A by-election was held in the Redcliffe State electoral district on Saturday 22 February 2014. The by-election was contested by nine candidates, from which four were endorsed by registered political parties. Three candidates, two of which were endorsed by registered political parties, were eligible to claim election funding. A summary of election funding amounts paid for the by-election is contained within the following table—

Candidate	Party	Funding paid
THOMAS, Len		\$7,426.06
D'ATH, Yvette	Australian Labor Party (State of Queensland)	\$59,952.17
DOOLEY, Kerri-Anne	Liberal National Party of Queensland	\$59,751.02

Policy development payments

Set by the *Electoral Regulation 2013*, the amount of \$3 million is paid to eligible registered political parties based on the number of relevant candidates endorsed by the party. The first payment was made after 30 June 2014 and will be disclosed next reporting period.

Financial disclosure

Parliamentary by-elections

Disclosure returns by registered political parties, candidates, third parties, broadcasters and publishers for the 2014 Redcliffe by-election were due for lodgement by Tuesday 10 June 2014. These returns will be available via the Commission's website 24 weeks after polling day.

Local Government by-elections

Candidates and third parties participating in Local Government elections are required to give the Commission a disclosure return disclosing gifts. The gift threshold amount for Local Government elections is fixed at \$200 without indexation. Groups of candidates who register their group after nominating may give

the Commission a return encompassing all candidates who are part of the group.

Annual disclosure

Registered political parties, their associated entities and donors were required to give the Commission disclosure returns for the period 1 January 2013 to 30 June 2013. A summary of returns received in 2013-14 is below—

Entity	Returns Received
Registered Political Parties	7
Associated Entities	1
Donors	391

Registration of political parties

Register of Political Parties as at 30 June 2014—

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

There were no parties added to or removed from the register in the 2013-14 financial year. One application to include a party on the register failed when the Commission was unable to verify the level of membership required for registration.

Objective 2:

Conducting free and democratic parliamentary, local government and industrial elections

Parliamentary elections and by-elections

Under the *Electoral Act 1992* the Commission is responsible for the conduct of Queensland State General elections and by-elections.

State General election

A State General election was not conducted in 2013-14. With the last State General election occurring on 24 March 2012, it is expected that the next State General election will be held in the 2014-15 financial year.

By-elections

During 2013-14, the Commission conducted one State by-election (Redcliffe).

Nine candidates were nominated for the Redcliffe by-election with Mrs Yvette D'Ath (Australian Labor Party), successfully elected on preference votes on the seventh count.

A Voter Information Letter was issued to all electors enrolled in the electoral district of Redcliffe and detailed the location of polling booths, pre-poll voting centres, as well as opening hours. Additionally, the Commission placed radio advertisements with a number of Brisbane radio stations for the purpose of raising awareness in relation to the close of roll; pre-poll voting facilities; and arrangements for polling day.

Following the Redcliffe by-election in February 2014 and as a result of complaints received from the public and media reports concerning the activity of political supporters, the Acting Electoral Commissioner directed an inquiry into canvassing, election material and scrutineers at the by-election.



2014 Inquiry into the Redcliffe By-Election Report

The inquiry made a number of recommendations to amend the *Electoral Act 1992* to better regulate areas of political activity during an election period. These recommendations are currently being considered by the Government. The Inquiry into the 2014 Redcliffe By-Election report is accessible on the Commission's homepage www.ecq.qld.gov.au.

Local Government elections and by-elections

Under the *Local Government Electoral Act 2011* the Commission is responsible for the conduct of Local Government Quadrennial elections, by-elections and fresh elections.

Quadrennial elections

There were no Local Government Quadrennial elections conducted in 2013-14. In accordance with the Local Government Electoral Act, the next Local Government Quadrennial elections

are scheduled in 2016 on the last Saturday in March.

By-elections

During the 2013-14 financial year, the Commission conducted nine by-elections to fill Councillor vacancies for the following local governments—

- Northern Peninsula Area Regional Council;
- South Burnett Regional Council Division 6;
- Cherbourg Aboriginal Shire Council*;
- Croydon Shire Council;
- Doomadgee Aboriginal Shire Council;
- Torres Strait Island Regional Council Division 10;
- Napranum Aboriginal Shire Council; and
- Whitsunday Shire Council Division 2.

** Due to unforeseen circumstances, two by-elections were required by Cherbourg Aboriginal Shire Council in the 2013-14 financial year.*

These by-elections were conducted as a result of vacancies arising from resignation or other circumstances. The South Burnett and Croydon by-elections were conducted as full postal ballots, while the remainder were attendance ballots. For the Northern Peninsula Area Regional Council by-election, the candidate was elected unopposed.

New elections

In 2013-14, the Commission conducted four New Elections, which was an outcome of the de-amalgamation polls conducted in March 2013. The de-amalgamation polls formed the following local government areas—

- Douglas Shire Council (formerly part of Cairns Regional Council);
- Livingstone Shire Council (formerly part of Rockhampton Regional Council);

- Mareeba Shire Council (formerly part of Tablelands Regional Council); and
- Noosa Shire Council (formerly part of Sunshine Coast Regional Council).



Counting issued ballot papers prior to the commencement of polling.

The four New Elections were undivided Councils using the First-Past-the Post voting system to elect a Mayor and Councillors for the new local government areas. A Mayor was elected for each of the four Councils, six Councillors were elected for Livingstone, Mareeba and Noosa, and four Councillors were elected for Douglas.

Industrial elections

Under the provisions of the *Industrial Relations Act 1999*, the Commission conducts elections of office-bearers for those Industrial Organisations (both employer and employee) registered with the State. The Queensland Industrial Relations Commission (QIRC) issues decisions instructing the Commission to conduct industrial elections.

The Act also provides for amalgamations of organisations. A ballot for a proposed amalgamation or withdrawal must be conducted by the Commission.

Elections

Each election is conducted in accordance with the Industrial Relations Act and the relevant Union Rules.

During 2013-14, the Industrial Registrar's office referred 55 arrangements for the conduct of industrial elections to the Commission. Nominations for 848 positions were called, resulting in 28 ballots.

Protected action ballots

The Commission was directed to conduct 99 protected action ballots in the 2013-14 financial year.

Enrolment and the joint roll arrangement

Maintenance of the electoral roll

The Queensland electoral roll is maintained by the Australian Electoral Commission (AEC) under a joint roll arrangement between the Commonwealth and Queensland Governments. The Commission paid an annual fee of \$2.437 million for this service in 2013-14.

Although the AEC has primary responsibility for maintenance of the roll, the Commonwealth assists by arranging access to relevant data held by State Government agencies, as well as conducting education and awareness activities to encourage new enrolments, monitor enrolment growth and trends, and to ensure an accurate and current electoral roll is maintained and readily available for the conduct of—

- State General elections and by-elections;
- Local Government Quadrennial elections and by-elections;
- Polls; and
- Referendums.

As at 30 June 2014 there were 2.881 million electors enrolled for Queensland, compared with 2.784 million the previous year. During the reporting period, 774,000 enrolment transactions occurred. The transactions consisted of new enrolments, amendments and changes of address, reinstatements, intrastate and interstate, death deletions and objection action where an elector no longer resides at the address that they are enrolled. The Queensland electoral roll will continue to increase during the 2014-15 reporting period, due to online enrolment and AEC initiatives such as Direct Enrolment and Update.

Direct enrolment and update

Federal Direct Enrolment Update (FDEU) was introduced by the AEC in early 2013 offering electors an 'opt out' rather than an 'opt in' option for enrolment. Data is collected and provided to the AEC from trusted sources and is data matched with the electoral roll to identify potential new electors and those that have changed their details.

It is estimated there will be over 600,000 enrolment transactions during the financial year, and the potential of over 2.9 million electors enrolled by the next Queensland State General election.

Electronic signatures for electronic enrolment

The Online Enrolment Services (OES) provides electors with the option to sign their enrolment application electronically. The legislated change simplified the online enrolment process and specifically targeted electors in the 18 to 25 age demographic.

Foreword

Objective 1

Objective 2

Objective 3

Objective 4

Objective 5

Financial Summary

Financial Statements

Objective 3:

Promoting the informed participation and confidence of Queenslanders in the electoral system

Education and awareness

During the 2013-14 financial year, the Commission has continued to engage the community through school visits, public events and collaboration with a number of minority/disadvantaged groups to promote access to the electoral process.

Royal Queensland Show (EKKA)

Partnered annually with the Australian Electoral Commission (AEC), a booth is shared at the EKKA. The main objective was to highlight the Commission's role in the community and increase enrolment and voter participation. The EKKA in August 2013 coincided with the close of rolls for the Federal election.

University open days

The Commission participated in open days for the Queensland University of Technology (QUT) and Australian Catholic University (ACU) for the purpose of engaging younger electors and encouraging them to enrol to vote.



Commission staff at QUT O-Week.

Homeless Connect

The Commission supports Homeless Connect and attends the event annually. The aim of Homeless Connect is to foster good relationships with the homeless community and develop a feasible strategy to address enrolment issues.

Foreword

Clancestry

In February 2014, the Commission, in conjunction with the AEC took part in Clancestry, celebrating Indigenous Australians. The event was another opportunity for the Commission to promote enrolment and look to increase voter participation in the Indigenous demographic.

Objective 1

Democracy in the Community

As a member of the National Disability Advisory Committee, the Commission developed the "Democracy in the Community" forum, which is comprised of a number of disability groups, including advocate groups for the vision-impaired. The forum meets frequently and provides attendees with an opportunity to voice concerns or to make suggestions for the purpose of formulating strategies to engage electors who require assistance to vote.

Objective 2

In 2013-14, the Commission capitalised on this initiative to test the eAssist voting system and telephone voting for the vision-impaired. Moving forward, the Commission is committed to increasing forum membership in an effort to improve voter participation and to strengthen its relationship with the community.

Objective 3

Internal audit and risk management

Risk management

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

The Commission has an established risk management framework in place, which provides the foundation and organisational arrangements for managing risk within the Commission.

The framework aims to streamline and embed risk management to support the Commission to achieve its strategic and operational objectives through proactive assessment of, and response to, risk across the Commission. Monitoring of risks is achieved through periodic reporting to both the Executive Management Group (EMG) and the Audit and Risk Management Committee (ARMC).

Objective 4

Objective 5

Audit committee

The primary role of the Audit and Risk Management Committee (ARMC) is to provide independent advice and assurance to the Electoral Commissioner on the Commission's risk, control and compliance frameworks. The committee also assists in the discharge of the Electoral Commissioner's financial management responsibilities imposed under the *Financial Accountability Act 2009*, *Financial Accountability Regulation 2009* and the *Financial and Performance Management Standard 2009*.

Financial Summary

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The Commission is currently seeking to appoint an external member to the committee.

Member	Term	Meetings attended 2013-14
Yvette Zischke (Chair)	1 June 2013 to 1 June 2016	4
Walter van der Merwe	1 June 2013 to 1 June 2016	4
Richard Bosanquet	1 June 2013 to 1 June 2016	4
External Member	Vacant	0
Lesley Trost*	1 June 2013 to 1 June 2016	3

*Committee Secretary

The Committee met four times during the financial year and reviewed various matters, including the effectiveness of internal control frameworks, oversight of management judgements included within financial statements, and the effectiveness of internal and external audit recommendations. In dispatch of its responsibilities, the Committee operated in accordance with its charter.

Internal audit

Internal Audit provides independent and objective business assurance and consulting services to the Electoral Commissioner to help improve the operations of the Commission. In providing these services, Internal Audit ensures adequate systems are in place for the efficient operation of the Commission's audit function.

The Internal Audit Charter and Strategic Audit Plan 2013-18 document the functions, reporting relationships and priorities for Internal Audit. These documents are consistent with relevant standards and guidelines and are endorsed by the Audit Committee. Internal Audit has due regard to the Queensland Treasury's Audit

Committee Guidelines.

The Commission's Head of Internal Audit, Yvette Zischke CPA, managed the internal audit function during 2013-14. The Audit Committee decided to bring the internal audit function back in-house during 2013-14, and the year's program of work was delivered utilising an in-house auditor. In delivering the program, Internal Audit complied with the International Standards for the Professional Practice of Internal Auditing and *Financial and Performance Management Standard 2009*.

The Annual Audit Plan 2013-14 was developed using a risk-based approach and endorsed by the Audit Committee and the Electoral Commissioner in December 2013.

In 2013-14, Internal Audit's major focus was on financial statement certification procedures; recruitment and selection practices; records management; legislative compliance; and polling booth Expression of Interest (EOI) procedures.

External scrutiny

The Queensland Ombudsman conducted an examination of the Commission's Complaints Management System (CMS) during the year. The examination measured compliance against legislative requirements and other indicators of good complaints management practice. The Commission agreed with recommendations raised by the Ombudsman's review, and they have either been implemented or are substantially progressed.

The Auditor-General completed sector-wide audits during the reporting period, and where these raised potential implications for the Commission, they have been assessed and actioned as necessary. In 2013-14, the Auditor-General issued an unqualified report of the Commission's 2012-13 General Purpose Financial Statements.

Opportunities to improve performance and implement recommendations made by the Auditor-General are addressed by the Commission on a continuing basis and reported regularly through the Audit Committee.

The 2013-14 audited financial statements are on pages 25 to 50 of this report.

Ethics

The *Public Services Ethics Act 1994* highlights four principles that are fundamental to good public administration—

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

The Commission is committed to maintaining high professional and ethical standards. The four principles that are fundamental to good public administration are embedded within the Commission’s Code of Conduct.

All staff at the Commission receive Ethics training upon commencement of employment. Follow-up training is provided to each employee on a periodic basis. The Code of Conduct is published on the Commission’s intranet and all employees are required annually to sign declarations that they have read and understood all requirements and behaviours expected of government employees.

Recordkeeping

The Commission manages its records in accordance with Information Standard IS31 and IS40 issued by Queensland State Archives. The Commission’s Retention and Disposal schedule has been approved by Queensland State Archives. Record-keeping practices at the Commission follow prescribed requirements contained in the relevant information standards as well as the agency Retention and Disposal schedule.

The Commission continues to provide opportunities for relevant Commission staff to attend training, seminars and/or other professional development activities to advance their understanding of duties and responsibilities required to perform their role(s).

During 2013-14 an internal review of the Commission’s records management processes and practices was undertaken. The objectives of the review included—

- To identify and obtain an understanding of legislation and whole-of-government requirements with record keeping implications to the Commission.
- Obtain a greater understanding of strategies, policies and practices that are currently in place within the Commission.
- Check the extent of the establishment of record keeping frameworks that comply with legislation and identify any business improvement opportunities.

At reporting date, the above mentioned review was still in progress.

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Objective 4:

Providing quality electoral services to stakeholders

Performance

Electoral Commission of Queensland	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area (Electoral Services)				
Service Standards				
Level of voter turnout State General election	1	..	..	92%
Level of voter turnout Local Government elections	2	80%	84%	85%
Level of informal voting State General election	1	..	..	2.5%
Level of informal voting Local Government elections	2	2.15%	3.75%	2.15%
Cost of State General election per elector	1	..	..	\$6.95
Cost of Local Government elections per elector	2	..	..	\$6.30
State contribution (\$000)		22,340	17,898	54,084
Other revenue (\$000)		40	40	40
Total cost (\$000)		22,380	17,938	54,124

Notes:

1. The next State general election will be conducted during the 2014-15 financial year. The Redcliffe by-election was the only State electoral event conducted during 2013-14.

2. During 2013-14 ECQ conducted four local government elections and nine local government by-elections. These measures represent an average of all these events. The cost per elector is expected to decrease in 2014-15 as a result of some operational processes being streamlined.

Measures

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

- Performance measures provided in the Commission's Service Delivery Statement (SDS).
- A rigorous and robust internal audit function has been established with the results/findings tabled to the Commission's Audit and Risk Management Committee.
- Statistical profiles produced after every State General election and submitted to the Minister.
- Post-election surveying. Surveys are sent to a sample of election participants.

Achievements

The major achievements of the Commission during 2013-14 included the—

- Conduct of four New Local Government elections, nine Local Government by-elections and the Redcliffe State by-election.
- Conduct of failure to vote processes associated with all State and Local Government electoral events held during the financial year.
- Conduct of twenty-eight industrial elections as required under the *Industrial Relations Act 1999*.
- Administration of political party registrations and funding and disclosure requirements.
- Establishment of an in-house ICT disaster recovery facility.
- Development of vision-impaired voting systems and processes.
- Continued delivery of the Commission's community and awareness program to increase electors' awareness of their responsibilities towards enrolment and voting.
- Management of the Queensland electoral roll which grew from 2.784 million in 2013 to 2.865 million electors in 2014.

Complaints management

The Commission operates a Complaints Management System (CMS) in accordance with internal policy and relevant directives. Policy and procedure is updated on a "need" basis and audited every two years by internal or external resources.

In the 2013-14 financial year, the Commission received 26 complaints. All complaints were

resolved within a 45 day timeframe.

In December 2013, the office of the Queensland Ombudsman conducted an audit of the Commission's Complaints Management System (CMS) for the 2012-13 financial year. The audit was based on the Public Service Commission's (PSC) Directive 13/06 "Complaints Management Systems" and other indicators of good complaints management practice.

In response to the audit recommendations, the Commission is considering enhancements to its Complaints Policy and has developed information brochures outlining the complaints process. At the reporting date, a number of other initiatives were in progress and will be reported in the Commission's 2014-15 annual report.

Information systems

In the 2013-14 financial year the Information Technology business unit commenced work on and/or completed the following major activities—

- Disaster Recovery Facility - The aim of the project is to relocate web servers that are currently residing at the CITEC data centre to the Polaris Data centre located in Springfield. Various milestones of the project were completed in the current financial year. With further minor works, testing and enhancement to be conducted in the first quarter of the 2014-15 financial year in readiness for the upcoming State General election.
- Warehouse – The refurbishment of the Commission's new warehouse at Coopers Plains included the construction of a new off-site IT server room as well as the set-up of an in-house call centre facility for major

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electoral events. The strategy implemented will reduce operational costs in running the call centre. To minimise business continuity risk, a second recovery line will be installed.



Warehouse storage and distribution facilities.

- Public website – A contractor was engaged to develop a new public website to make key electoral information easier to find as well as being compatible with mobile electronic devices. This website will be deployed before the next State General election.
- Tablets – In conjunction with the New South Wales and Victorian Electoral Commissions, Queensland purchased 2,500 tablets for the deployment and use at the next major electoral event. The tablets will replace the palm pilots that were previously used and will be primarily used within Polling Booths to assist electors.
- Electronic Certified Lists (ECLs) – A pilot program has been developed in readiness for the next State General election to replace traditional paper based certified lists used in polling booths with ECLs. The initiative is forecast to save costs associated with printing and scanning certified lists, reduce elector wait times and provide real time data on the number of electors voting.
- Electoral Offence System – An electoral offence system was developed for the purpose of enhancing failure to vote processes. The system became fully operational in late 2013.
- eAssist – A voting system developed for electors who require assistance to vote. Through the eAssist voting system, electors can mark and print a ballot paper by following audio prompts and issuing commands using a keypad. The system has been designed to empower electors by facilitating an independent and secret vote. eAssist will be available for use at selected locations for all parliamentary electoral events occurring in the 2014-15 financial year.
- Telephone voting – For the next Queensland State General election, electors with a vision-impairment will have the opportunity to cast their vote via telephone. Electors seeking to use this service will be required to register prior to electoral events, from which they will be issued with a registration number and personal identification number (PIN). When voting commences, the elector must provide their registration number and PIN to Commission call centre staff who will mark the ballot paper on the elector's behalf. Secrecy of the vote is maintained through the segregation of the registration from the voting process.

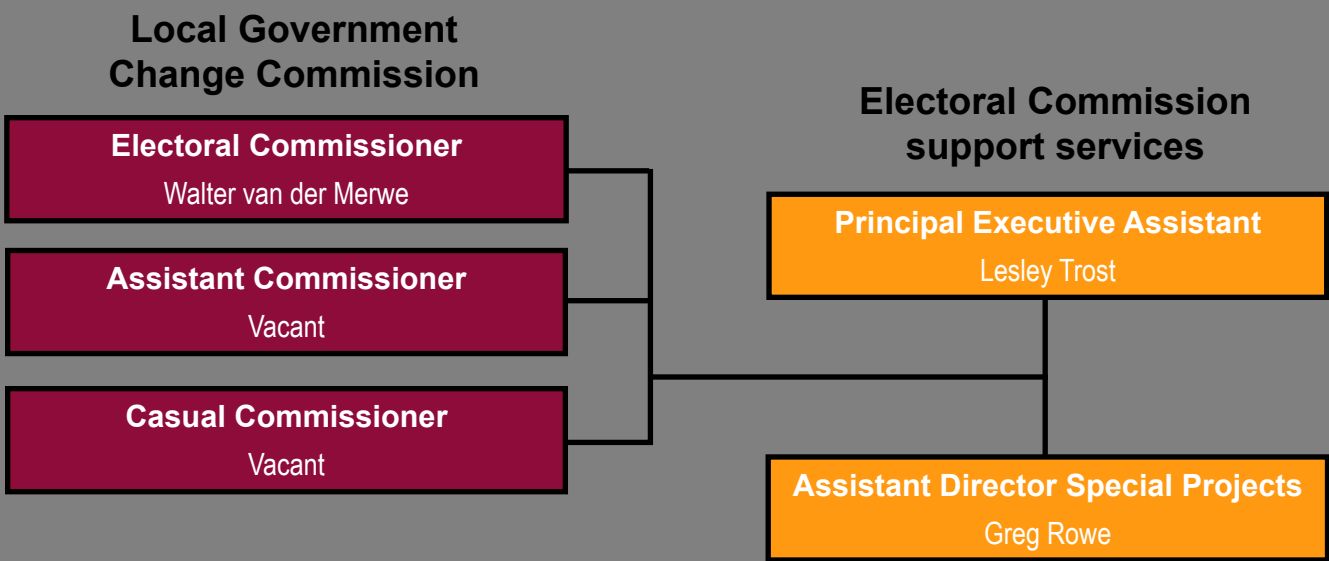
Objective 5:

Managing a comprehensive process for the review of electoral boundaries

Local Government Change Commission

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

Organisational structure



Completed reviews

The Commission did not complete any reviews in the 2013-14 financial year.

In progress reviews

As at 30 June 2014, the Change Commission had two reviews in progress—

- Southern Downs Regional Council and Toowoomba Regional Council.
- Central Highlands Regional Council and Isaac Regional Council.

Reports will be made publicly available via the Commission’s website shortly after finalisation.

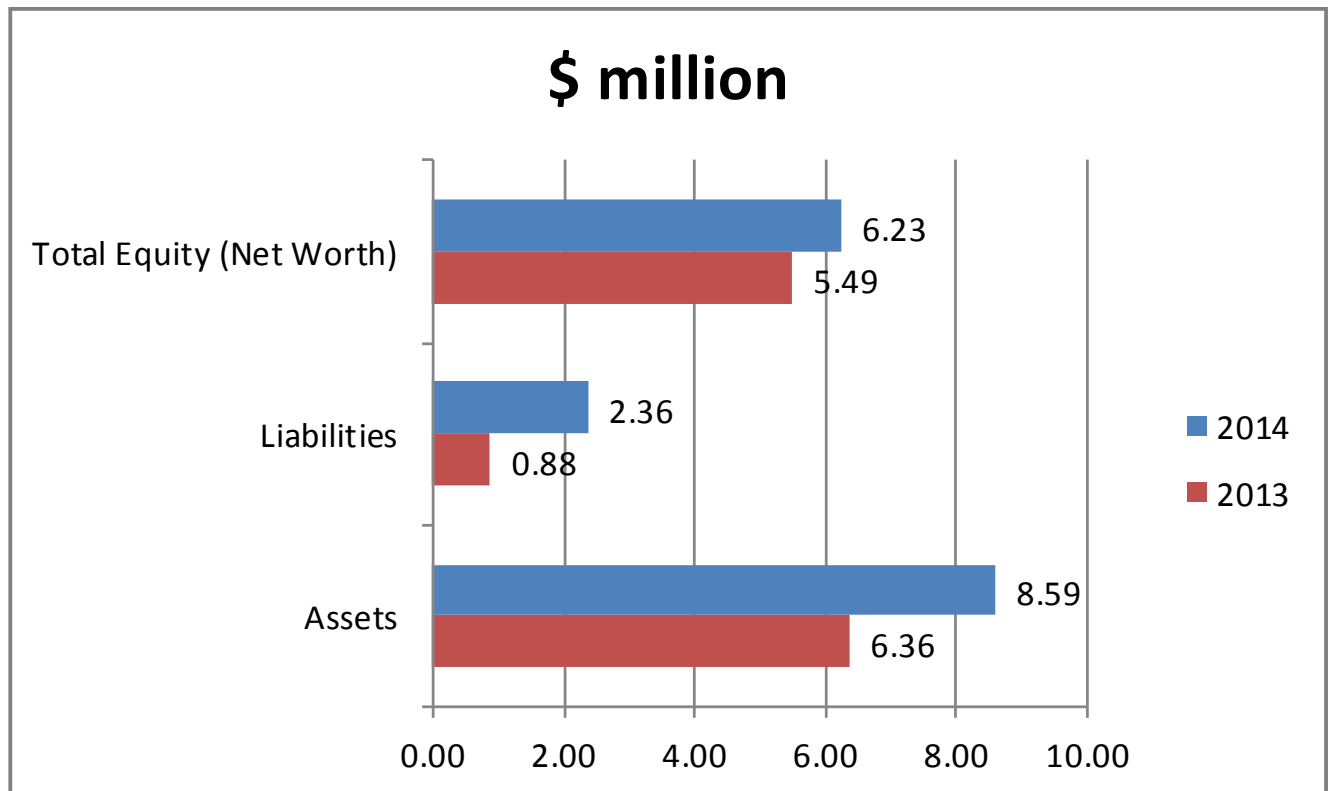
Ethics

In 2013-14, as a result of resource sharing, Commission staff involved with the Local Government Change Commission were operating under the Commission’s human resourcing arrangements and the Code of Conduct approved by the Electoral Commissioner.

Financial summary

Financial position

The statement of financial position provides an indication of the Commission's underlying financial health or net wealth. This is reflected as a measure of equity as at financial year end. The Commission's assets at 30 June 2014 were \$8.6 million and liabilities \$2.4 million, resulting in net positive equity of \$6.2 million. The positive movement to the Commission's equity level from the previous financial year is the result of the development of an in-house ICT disaster recovery facility and unspent capital funding that has been deferred to the 2014-15 financial year.

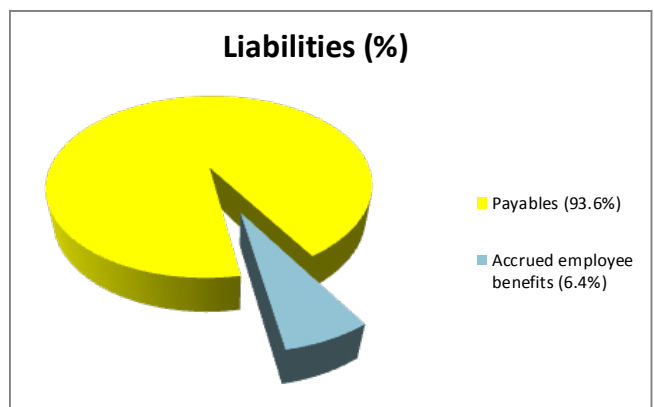
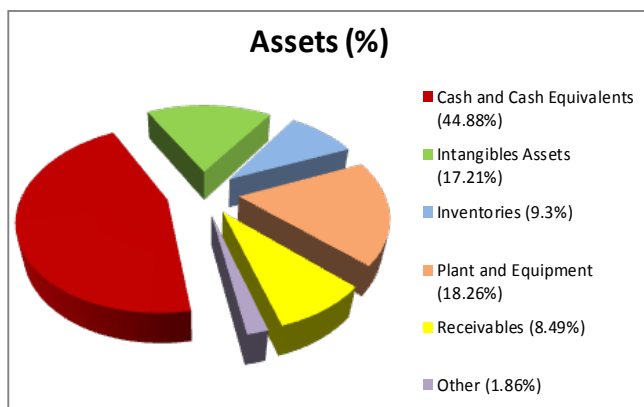


Assets

As at 30 June 2014, total assets reflected in the statement of financial position were \$8.6 million. The increase of \$2.2 million from the prior year is due to the deferral of some key activities to 2014-15 coupled with the development of an in-house ICT disaster recovery facility.

Liabilities

Total liabilities as at 30 June 2014 were \$2.4 million. Included within the current year trade creditors balance is a \$1.5 million accrual for policy development funding to eligible registered political parties.



Financial performance

The statement of comprehensive income summarizes all revenues and expenses for the reporting period 1 July 2013 to 30 June 2014. This financial year, the Commission reported an operating surplus of \$0.06 million.

Income

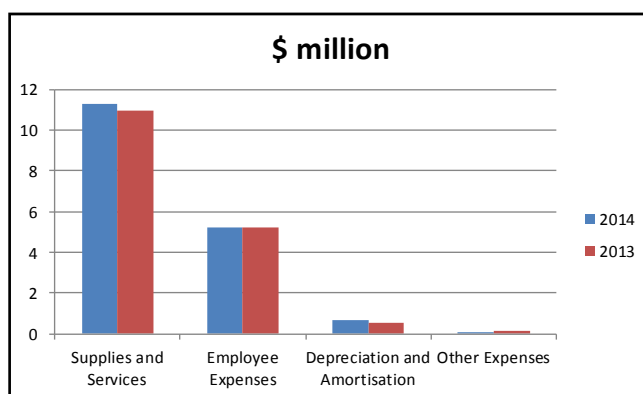
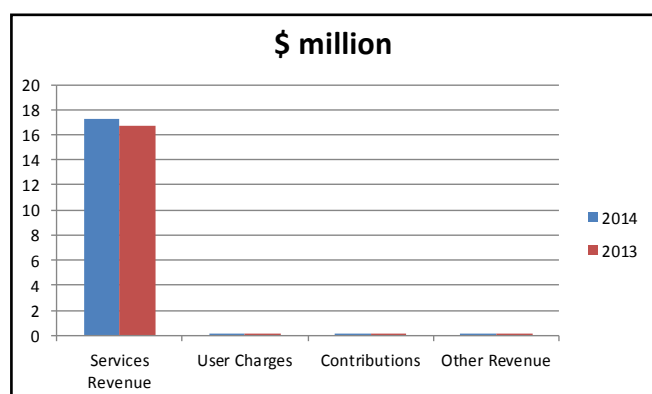
The Commission is a budget funded agency with the significant majority of its income (over 99% of total income this financial year) derived from appropriations from the Queensland Government. The level of appropriations received during 2013-14 is consistent with other non-election years.

Expenses

The total operating expenses for 2013-14 were \$17.3 million, an increase of \$0.6 million from the previous financial year. The slight increase is attributable to higher computer maintenance costs to Commission IT hardware. Total expenditure continues to accord with normal spend levels consistent with a non-election year.

INCOME (\$ MILLION)	2014	2013
Services Revenue	17.23	16.69
User Charges	0.07	0.07
Contributions	0.06	0.07
Other Revenue	0.01	0.01
Total Income	17.37	16.84

EXPENSES (\$ MILLION)	2014	2013
Supplies and Services	11.30	10.93
Employee Expenses	5.21	5.24
Depreciation and Amortisation	0.67	0.53
Other Expenses	0.12	0.13
Total Expenses	16.83	16.83



Major variations between the 2013-14 budget and 2013-14 estimated actuals are provided within the Commission's service delivery statement and are available electronically via budget.qld.gov.au

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Electoral Commission of Queensland Financial Statements 2013-14

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General Information

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

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

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

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

Level 6
Forestry House
160 Mary Street
BRISBANE QLD 4000

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

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

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

ELECTORAL COMMISSION OF QUEENSLAND
Statement of Comprehensive Income
for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Income from Continuing Operations			
Appropriation revenue for services	2	17,226	16,694
User charges and fees	3	68	67
Contributions	4	60	68
Other revenues	5	6	5
Total Revenue		17,360	16,834
Total Income from Continuing Operations		17,360	16,834
Expenses from Continuing Operations			
Employee expenses	6	5,211	5,235
Supplies and services	8	11,303	10,928
Depreciation and amortisation	9	668	532
Other expenses	10	120	128
Total Expenses from Continuing Operations		17,302	16,823
Operating Result from Continuing Operations		58	11
Other Comprehensive Income		-	-
Total Comprehensive Income		58	11

The accompanying notes form part of these statements.

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ELECTORAL COMMISSION OF QUEENSLAND
Statement of Financial Position
as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Current Assets			
Cash and cash equivalents	11	3,859	2,608
Receivables	12	729	442
Inventories	13	799	808
Other current assets	14	157	2
Total Current Assets		5,544	3,860
Non-Current Assets			
Intangible assets	15	1,477	1,778
Plant and equipment	16	1,567	725
Total Non-Current Assets		3,044	2,503
Total Assets		8,588	6,363
Current Liabilities			
Payables	17	2,211	769
Accrued employee benefits	18	147	109
Total Current Liabilities		2,358	878
Total Liabilities		2,358	878
Net Assets		6,230	5,485
Equity			
Contributed equity		4,068	3,381
Accumulated surplus		2,162	2,104
Total Equity		6,230	5,485

The accompanying notes form part of these statements.

ELECTORAL COMMISSION OF QUEENSLAND
Statement of Changes in Equity
for the year ended 30 June 2014

	Accumulated Surplus	Contributed Equity	TOTAL
	\$'000	\$'000	\$'000
Balance as at 1 July 2012	2,093	2,396	4,489
Operating Result from Continuing Operations	11	-	11
<i>Transactions with Owners as Owners:</i>			
- Appropriated equity injections (Note 2)	-	1,061	1,061
- Appropriated equity withdrawals (Note 2)	-	(76)	(76)
Balance as at 30 June 2013	2,104	3,381	5,485
Balance as at 1 July 2013	2,104	3,381	5,485
Operating Result from Continuing Operations	58	-	58
<i>Transactions with Owners as Owners:</i>			
- Appropriated equity injections (Note 2)	-	763	763
- Appropriated equity withdrawals (Note 2)	-	(76)	(76)
Balance as at 30 June 2014	2,162	4,068	6,230

The accompanying notes form part of these statements.

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ELECTORAL COMMISSION OF QUEENSLAND
Statement of Cash Flows
for the year ended 30 June 2014

Cash flows from operating activities

Inflows:

Service appropriation receipts	16,794	28,572
User charges and fees	166	487
GST input tax credits from ATO	1,000	1,145
Other	6	5

Outflows:

Employee expenses	(5,057)	(5,428)
Supplies and services	(10,007)	(22,302)
GST paid to suppliers	(1,069)	(900)
Other	(59)	(58)

Net cash provided by (used in) operating activities 19 **1,774** **1,521**

Cash flows from investing activities

Outflows:

Payments for plant and equipment	(1,210)	(133)
Payments for intangibles	-	(653)

Net cash provided by (used in) investing activities **(1,210)** **(786)**

Cash flows from financing activities

Inflows:

Equity injections	763	1,061
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Outflows:

Equity withdrawals	(76)	(76)
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Net cash provided by (used in) financing activities **687** **985**

Net increase (decrease) in cash and cash equivalents 1,251 1,720

Cash and cash equivalents at beginning of financial year 2,608 888

Cash and cash equivalents at end of financial year 11 **3,859** **2,608**

The accompanying notes form part of these statements.

ELECTORAL COMMISSION OF QUEENSLAND
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

Objectives and Principal Activities of the Commission

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

The key strategic objectives of the commission are to:

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

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

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

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

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

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2014, and other authoritative pronouncements.

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

(b) The Reporting Entity

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

(c) Administered Transactions and Balances

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

Administered transactions and balances are disclosed in Note 24. These transactions and balances are not significant in comparison to the commission's overall financial performance/financial position.

(d) Appropriation Revenue for Services/Administered Revenue

Appropriations provided under the *Appropriation Act 2013* are recognised as revenue when received.

(e) User Charges and Fines

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

Fines and forfeitures collected, but not controlled, by the commission are reported as administered revenue. Refer to Note 24.

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

(f) Contributions

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

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

(g) Cash and Cash Equivalents

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

(h) Receivables

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

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

Other debtors generally arise from transactions outside the usual operating activities of the commission and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

(i) Inventories

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

(j) Acquisitions of Assets

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

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

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

(k) Plant and Equipment

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

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

(l) Intangibles

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

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

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

Internally Generated Software

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

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

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

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

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

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

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

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

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

(n) Impairment of Non-Current Assets

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

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

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

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

(o) Leases

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

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

The commission does not have any finance leases.

(p) Payables

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

(q) Financial Instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

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

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

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

(r) Employee Benefits

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

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

Wages, Salaries and Sick Leave

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

As the commission expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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.

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*.

ELECTORAL COMMISSION OF QUEENSLAND

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(r) Employee Benefits (cont'd)

Long Service Leave

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

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

Superannuation

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

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

Key Management Personnel and Remuneration

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

(s) Major Services of the Commission

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

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

(t) Insurance

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

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

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

(v) Contributed Equity

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

The commission did not have any changes to contributed equity resulting from machinery-of-Government changes for 2014.

(w) Taxation

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

(x) Issuance of Financial Statements

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

(y) Accounting Estimates and Judgements

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

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

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

From 1 July 2014, the government plans to abolish the carbon tax. The withdrawal of the carbon pricing mechanism is not expected to have a significant impact on the commission's critical accounting estimates, assumptions and management judgements.

(z) Rounding and Comparatives

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

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

(aa) New and Revised Accounting Standards

The commission did not voluntarily change any of its accounting policies during 2013-14. Those new and amended Australian Accounting Standards that were applicable for the first time in the 2013-14 financial year had minimal effect on the commission's financial statements.

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

There is no impact on the commission's plant and equipment resulting from AASB 13 as it is measured at cost in accordance with the Non-Current Asset Policies.

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. As the Electoral Commission of Queensland does not directly recognise any employee benefit liabilities (refer to Note 1(r)), the only implications for the commission were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If termination benefits meet the AASB 119 timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of 'other long-term employee benefits' are accounted for according to most of the requirements for defined benefit plans.

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

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

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

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

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

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

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. The commission will need to include in its 2014-15 financial statements the original budgeted figures from the Income Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

In addition, the commission will need to include the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

AASB 9 *Financial Instruments* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] will become effective for reporting periods beginning on or after 1 January 2017. The main impacts of these standards on the commission are that they will change the requirements for the classification, measurement and disclosures associated with the commission's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The commission has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the commission's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the commission enters into, it is not expected that any of the commission's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2017-18 financial statements, all of the commission's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Notes 1(q) and 23). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the commission's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The commission will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2017-18. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2017-18 financial statements to explain the impact of adopting AASB 9.

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

ELECTORAL COMMISSION OF QUEENSLAND
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	2014 \$'000	2013 \$'000
2. Reconciliation of Payments from Consolidated Fund to Appropriation Revenue for Services Recognised in Statement of Comprehensive Income		
Budgeted appropriation revenue for services	22,703	55,270
Lapsed appropriation revenue for services	(5,909)	(26,698)
Total Appropriation Revenue for Services Receipts (cash)	16,794	28,572
Less: Opening balance of appropriation revenue receivable	(79)	(11,957)
Plus: Closing balance of appropriation revenue receivable	511	79
Net Appropriation Revenue	17,226	16,694
Appropriation Revenue for Services recognised in Statement of Comprehensive Income	17,226	16,694
Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity		
Budgeted equity adjustment appropriation	1,334	1,823
Lapsed equity adjustment	(647)	(838)
Equity adjustment recognised in Contributed Equity	687	985
3. User Charges and Fees		
Electoral services and materials	68	67
Total	68	67
4. Contributions		
Services received at below fair value	60	68
Total	60	68
5. Other Revenues		
Sale of Government Property	4	-
Sale of Portable & Attractive Items	-	5
Bad Debts Recovered	2	-
Total	6	5
6. Employee Expenses		
Employee Benefits		
Wages and salaries	3,534	3,658
Election wages, polling officials and returning officers fees and allowance	475	324
Employer superannuation contributions*	479	488
Long service leave levy*	82	83
Annual leave levy*	382	349
Termination benefits	-	58
Other employee benefits	8	19
Employee Related Expenses		
Workers' compensation premium*	5	8
Payroll tax*	208	213
Other employee related expenses	38	35
Total	5,211	5,235

* Refer note 1(r).

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

	2014	2013
Number of Employees:	45	42

The commission engages casual employees on an "as need basis" and during the 2013-14 financial year the number of casual employees engaged were 12 (2013:15).

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7. Key Management Personnel and Remuneration Expenses

(a) Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2013-14. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position
Electoral Commissioner	The Electoral Commissioner is responsible for the running of the Electoral Commission of Queensland, an independent statutory authority established under the <i>Electoral Act 1992</i> to administer the electoral laws of Queensland in an efficient, effective and economical manner thus ensuring the conduct and administration of elections are not influenced by political considerations.	CEO/Electoral Act 1992	11th April 2014
Assistant Commissioner (formerly Assistant Commissioner Elections and Operations)	To assist the Electoral Commissioner with the day-to-day running of the Electoral Commission of Queensland.	SES2/Public Service Act 2008	Acting from 29th July 2013
Director Elections Management (formerly Director Election Funding and Disclosure)	To lead the Elections Management Branch by ensuring the Electoral Commission of Queensland complies with all legislative responsibilities and obligations contained within both the <i>Electoral Act 1992</i> and the <i>Local Government Electoral Act 2011</i> , as well as perform the legislated responsibilities of Head of Internal Audit for the Commission.	SO/Public Service Act 2008	28th July 2011
Director Business Services	To lead the Business Services Branch in the management and coordination of all election support operations of the Electoral Commission of Queensland, as well as perform the legislated responsibilities of the Chief Finance Officer for the commission.	SO/Public Service Act 2008	14th August 2013

(b) Remuneration Expenses

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

For the 2013-14 year, remuneration packages of key management personnel increased by 2.2% in accordance with government policy for SES and SO officers.

The following disclosures focus on the expenses incurred by the commission during the respective reporting periods, that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprise the following components:

- Short term employee expenses which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position;
 - performance payments recognised as an expense during the year;
 - 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 are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Performance bonuses are not paid under the contracts in place.

**ELECTORAL COMMISSION OF QUEENSLAND
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7. Key Management Personnel and Remuneration Expenses (cont'd)

1 July 2013 - 30 June 2014

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Electoral Commissioner - 11 Apr 14 to 30 Jun 14	73	1	1	5	-	80
Acting Electoral Commissioner - 01 Jul 13 to 10 Apr 14	206	2	4	18	-	230
Acting Assistant Commissioner - 29 Jul 13 to 30 Jun 14	154	2	3	15	-	174
Director Elections Management - 14 Aug 13 to 29 Sep 13, - 05 Dec 13 to 30 Jun 14	83	1	2	10	-	96
Director Business Services - 29 Jul 13 to 13 Aug 13, - 28 Sep 13 to 01 Dec 13	23	-	1	3	-	27
Acting Director Business Services 1 Jul 13 to 28 Jul 13	10	-	-	1	-	11

1 July 2012 - 30 June 2013

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Acting Electoral Commissioner - 29 Apr 13 to 30 Jun 13	42	-	1	3	-	46
Electoral Commissioner - 1 Jul 12 to 26 Apr 13	282	2	4	28	61	377
Assistant Commissioner Elections and Operations - 1 Jul 12 to 26 Apr 13	168	2	3	17	-	190
Acting Director Election Funding and Disclosure - 29 Jan 13 to 30 Jun 13	56	-	1	6	-	63
Director Election Funding and Disclosure - 1 Jul 12 to 25 Jan 13	87	-	2	15	-	104
Acting Director Business Services - 1 Jul 12 to 31 Jul 12	11	-	-	1	-	12

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	2014	2013
	\$'000	\$'000
8. Supplies and Services		
Computer processing costs	2,102	783
Consultants and contractors	1,028	1,156
Election expenses	2,032	2,755
Freight & Cartage	48	59
Information and awareness campaigns	128	126
Joint roll arrangement	2,437	2,373
Legal fees	247	259
Motor vehicle	54	44
Portable & Attractive Equipment	113	156
Printing and postage	164	849
Property tenancy and maintenance	1,409	1,201
Subscriptions	2	3
Telephone	330	281
Travel	132	57
Shared services agency charges	302	379
Accommodation fitout repairs	148	36
Other	627	411
Total	11,303	10,928

9. Depreciation and Amortisation

Depreciation and amortisation were incurred in respect of:

Plant and equipment	367	263
Software internally generated	301	269
Total	668	532

10. Other Expenses

Insurance premiums - QGIF	17	17
External audit fees *	34	41
Losses from disposal of plant and equipment	1	2
Inventory written off	8	-
Services received at below fair value	60	68
Total	120	128

* Total audit fees paid to the Queensland Audit Office relating to the 2013-14 financial statements are estimated to be \$34,000 (2013: \$38,500). There are no non-audit services included in this amount.

11. Cash and Cash Equivalents

Imprest accounts	1	1
Cash at bank	3,858	2,607
Total	3,859	2,608

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.

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	2014 \$'000	2013 \$'000
12. Receivables		
Trade debtors	1	96
	<u>1</u>	<u>96</u>
GST receivable	135	67
Annual leave reimbursements	40	98
Long service leave reimbursements	40	98
Appropriation revenue receivable	511	79
Other	2	4
Total	<u>729</u>	<u>442</u>

13. Inventories		
Inventories held for distribution - at cost	799	808
Total	<u>799</u>	<u>808</u>

14. Other Current Assets		
Prepayments	157	2
Total	<u>157</u>	<u>2</u>

15. Intangible Assets		
Software internally generated:		
At cost	3,036	2,383
Less: Accumulated amortisation	(1,559)	(1,258)
	<u>1,477</u>	<u>1,125</u>
Software WIP:		
At cost	-	653
	<u>-</u>	<u>653</u>
Total	<u>1,477</u>	<u>1,778</u>

Intangibles Reconciliation

	Software Internally Generated		Software WIP		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Carrying amount at 1 July	1,125	1,394	653	-	1,778	1,394
Acquisitions	-	-	-	653	-	653
Transfers between classes	653	-	(653)	-	-	-
Amortisation	(301)	(269)	-	-	(301)	(269)
Carrying amount at 30 June	<u>1,477</u>	<u>1,125</u>	<u>-</u>	<u>653</u>	<u>1,477</u>	<u>1,778</u>

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

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	2014 \$'000	2013 \$'000
16. Plant and Equipment		
Plant and equipment:		
At cost	2,505	1,886
Less: Accumulated depreciation	(1,518)	(1,161)
	987	725
Work in progress:		
At cost	580	-
Total	1,567	725

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

The commission has plant and equipment with an original cost of \$582,128 that has been written down to a residual value of \$29,105 still being used in the provision of services. These assets are still in good condition and are anticipated to be replaced in the coming years.

Plant and Equipment Reconciliation

	Plant and Equipment		Work in Progress		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Carrying amount at 1 July	725	857	-	-	725	857
Acquisitions	630	133	580	-	1,210	133
Disposals	(1)	(2)	-	-	(1)	(2)
Depreciation	(367)	(263)	-	-	(367)	(263)
Carrying amount at 30 June	987	725	580	-	1,567	725

	2014 \$'000	2013 \$'000
17. Payables		
Trade creditors	2,125	683
Refunds to candidates	32	35
Other	54	51
Total	2,211	769
18. Accrued Employee Benefits		
Wages outstanding	15	-
Annual leave levy payable	109	88
Long service leave levy payable	23	21
Total	147	109

ELECTORAL COMMISSION OF QUEENSLAND
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	2014 \$'000	2013 \$'000
19. Reconciliation of Operating Surplus to Net Cash from Operating Activities		
Operating surplus/(deficit)	58	11
Depreciation and amortisation expense	668	532
Loss on disposal of plant and equipment	1	2
Change in assets and liabilities:		
(Increase)/decrease in appropriation revenue for services receivable	(432)	11,879
(Increase)/decrease in trade receivables	95	352
(Increase)/decrease in GST input tax credits receivable	(68)	244
(Increase)/decrease in LSL reimbursement receivables	58	(98)
(Increase)/decrease in annual leave reimbursement receivables	58	(73)
(Increase)/decrease in other receivables	2	68
(Increase)/decrease in inventories	9	14
(Increase)/decrease in prepayments	(155)	86
Increase/(decrease) in accounts payable	1,442	(11,474)
Increase/(decrease) in accrued employee benefits	38	(22)
Net cash from operating activities	1,774	1,521

20. Commitments for Expenditure

(a) Non-Cancellable Operating Lease

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

Not later than one year	1,435	1,130
Later than one year and not later than five years	4,147	4,044
Later than five years	355	-
Total	5,937	5,174

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

21. Contingencies

(a) Litigations in progress

There were no cases filed naming the Electoral Commission of Queensland as defendant at 30 June 2014.

(b) Financial Guarantees

The Electoral Commission of Queensland was not committed to any guarantees or undertakings at 30 June 2014.

22. Events Occurring after Balance Date

The commission does not have any favourable or unfavourable events occurring between the reporting date and the date when the financial report is authorised for issue.

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23. Financial Instruments

(a) Categorisation of Financial Instruments

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

Category	Note	2014 \$'000	2013 \$'000
Financial Assets			
Cash and cash equivalents	11	3,859	2,608
Receivables	12	729	442
Total		4,588	3,050
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	17	2,211	769
Total		2,211	769

(b) Financial Risk Management

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

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

All financial risk is managed by the Business Services Branch under policies approved by the commission. The commission provides written principles for overall risk management, as well as policies covering specific areas.

The commission measures risk exposure using a variety of methods as follows:

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

(c) Credit Risk Exposure

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

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

Financial Assets

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

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

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

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

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

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

ELECTORAL COMMISSION OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

23. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

Aging of past due but not impaired assets is disclosed in the following tables:

2014 Financial Assets Past Due But Not Impaired

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

2013 Financial Assets Past Due But Not Impaired

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

There were no impaired financial assets at 30 June 2014.

Financial Liabilities

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

(d) Liquidity Risk

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

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

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

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

		2014 Payable in			Total
	Note	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	\$'000
Financial Liabilities					
Payables	17	2,211	-	-	2,211
Total		2,211	-	-	2,211

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

(e) Interest Rate Sensitivity Analysis

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

(f) Fair Value

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

ELECTORAL COMMISSION OF QUEENSLAND **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

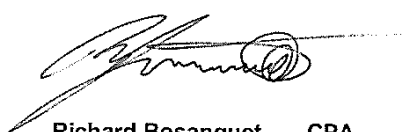
24. Schedule of Administered Items

	2014	2013
	\$'000	\$'000
Administered Revenues		
Revenue from local councils	1,044	1,111
Fines and forfeitures	127	5,011
Total Revenue	1,171	6,122
 Administered Expenses		
Transfers to government	1,171	6,122
Total Expense	1,171	6,122
 Administered Assets		
Current Assets		
Cash and cash equivalents	26	-
Receivables	107	44
Total Current Assets	133	44
 Administered Liabilities		
Current Liabilities		
Unclaimed monies to remit to Queensland Treasury and Trade	11	-
Transfers to government payable	122	44
Total Current Liabilities	133	44

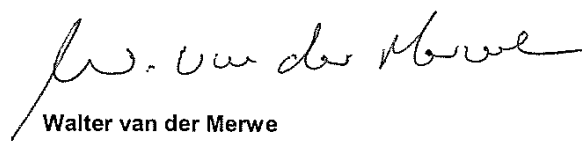
CERTIFICATE OF THE ELECTORAL COMMISSION OF QUEENSLAND

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), 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;
- (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 2014 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.



Richard Bosanquet CPA
Director, Business Services



Walter van der Merwe
Electoral Commissioner

Date 22nd August 2014

Date 22nd August 2014

INDEPENDENT AUDITOR'S REPORT

To the Electoral Commissioner

Report on the Financial Report

I have audited the accompanying financial report of the Electoral Commission of Queensland, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Electoral Commissioner and Director, Business Services.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

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

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


Opinion

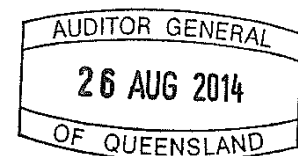
In accordance with s.40 of the *Auditor-General Act 2009*:

- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Electoral Commission of Queensland for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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


A M GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane

FEEDBACK FORM

The Electoral Commission of Queensland's 2013-14 Annual Report provides an account of its financial and non-financial performance for the 2013-14 financial year.

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

Response return details:

ELECTORAL COMMISSION OF QUEENSLAND



ecq@ecq.qld.gov.au



GPO Box 1393
BRISBANE QLD 4001



(07) 3229 7391

CONTENT Please tick (✓)

Presentation and Design

☐

Excellent

☐

Good

☐

Satisfactory

☐

Poor

Ease of Navigation

☐

Excellent

☐

Good

☐

Satisfactory

☐

Poor

Ease of Readability

☐

Excellent

☐

Good

☐

Satisfactory

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Poor

Value of Information

☐

Excellent

☐

Good

☐

Satisfactory

☐

Poor

Level of Detail Provided

☐

Excellent

☐

Good

☐

Satisfactory

☐

Poor

SUGGESTIONS FOR IMPROVEMENT

CATEGORY OF READER Please tick (✓)

☐

Industry Organisation

☐

Community Organisation

☐

General Public

☐

Political Organisation

☐

Member of Parliament

☐

Government Department

Thank you for completing this survey!



ELECTORAL COMMISSION OF QUEENSLAND



GPO Box 1393
BRISBANE QLD 4001



1300 881 665



(07) 3229 7391



ecq@ecq.qld.gov.au