



**Electoral
Commission**
QUEENSLAND

2018 – 2019 ANNUAL REPORT



Interpreter statement

The Electoral Commission of Queensland is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone 1300 881 665 and we will arrange an interpreter to effectively communicate the report to you.

Copyright

© Electoral Commission of Queensland 2019

Licence



This annual report is licensed by the Electoral Commission of Queensland under a Creative Commons Attribution (CC BY) 4.0 International licence.

In essence, you are free to copy, communicate and adapt this annual report, as long as you attribute the work to the Electoral Commission of Queensland.

To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>

Content from this annual report should be attributed as the Electoral Commission of Queensland Annual Report 2018-2019.

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

Electoral Commission of Queensland

Telephone: 1300 881 665

Website: www.ecq.qld.gov.au

Email: ecq@ecq.qld.gov.au

Post: GPO Box 1393
BRISBANE QLD 4001

Annual Report 2018-2019

Electoral Commission of Queensland

ISSN: 2208-5173 (Print)

ISSN: 2208-5181 (Online)

I Contents

Electoral Commissioner's Foreword.....	1
About us	2
Who are we	2
Strategic Plan 2018 - 2022	3
Our purpose	3
Our values.....	3
Our vision.....	3
Our objectives.....	4
Operating context.....	6
Organisational structure.....	7
Highlights.....	8
Performance	10
Elections.....	10
Funding, Disclosure and Compliance.....	18
Local Government Change Commission	26
Organisational Governance.....	30
Financial Performance	38
Financial Statements	40

List of Tables

Table 1 – Local government by-elections held in 2018-19	13
Table 2 – Register of Political Parties	21
Table 3 – Compliance audits of local government by-elections.....	23
Table 4 – Policy Development Payments paid in 2018-19 for the 2017-18 financial year	25
Table 5 – Status of the Change Commission’s reviews as at 30 June 2019.....	28
Table 6 – Audit and Risk Committee meeting attendance 2018-19...	31

List of Figures

Figure 1 – Number of returns lodged in the Electronic Disclosure System for the 2017-18 and 2018-19 financial years.....	20
Figure 2 – Compliance and Enforcement Pyramid	22
Figure 3 – Full-time equivalent employees by classification	32



**Electoral
Commission**
QUEENSLAND

File number: CIM/000002

30 August 2019

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

Dear Attorney-General

I am pleased to submit for presentation to the Parliament the 2018–2019 annual report and financial statements for the Electoral Commission of Queensland.

I certify that this annual report complies with:

- the prescribed requirements of the *Electoral Act 1992* (s 18 (1)), *Local Government Act 2009* (s 25), *Financial Accountability Act 2009* (s 63) and the *Financial and Performance Management Standard 2009* (s 49); and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining compliance with the annual reporting requirements is provided at pages 76 and 77 of this annual report.

Yours sincerely

Pat Vidgen PSM FGIA
Electoral Commissioner

Electoral Commissioner's Foreword

It was an honour to be appointed the Electoral Commissioner of Queensland in September 2018. I have valued the support provided by all the Electoral Commission of Queensland's (ECQ) staff and stakeholders and relish the opportunity to lead the ECQ delivering electoral excellence with integrity for Queensland.

The citizens of Queensland are central to our role of delivering accessible, fair and transparent services. We do this by working closely with our government stakeholders, both State and local, the political participants, parties and candidates, and the community. The past 12 months has seen a significant increase in our engagement with external stakeholders, whether this be local governments, government departments, electoral commissions across the country and community groups.

Planning is advanced for the next local government quadrennial elections for 77 Mayors and 502 councillors to be held on 28 March 2020. The elections will involve over 3.2 million electors with up to 11,000 temporary staff, across approximately 1,200 polling booths. The ECQ is consulting every local government during planning to ensure that all electors receive an equitable service and that costs are managed. The ECQ is also receiving excellent support from the Local Government Association of Queensland and Queensland's integrity agency network. Enhancements to the recruitment and training of staff, technology innovations, plus the implementation of business improvements derived from learnings from the 2016 elections, will result in a much improved experience for all stakeholders.

Measures of a successful election include maximising enrolment, voter turnout and the casting of formal votes. Queensland's enrolment is 1.3 per cent below the national average and needs to lift to ensure that all those who are eligible to vote can do so. The ECQ will target increasing enrolment in key demographics where enrolment is low, by reaching out to youth, rural and remote communities and culturally and linguistically diverse groups. An advertising and communication campaign highlighting enrolment, key dates, voting options, and penalties for not voting, will be released across TV, radio, print and social media in early 2020.

Over the past year, development has continued on the ECQ's new Election Management System in advance of the local government elections. Through the implementation of improved systems and business processes, the ECQ is working to deliver a more secure, personalised, interactive and efficient online experience for electors, candidates and election staff.

In addition, the 2020 elections will see a marked uplift in the use of technology. The popular voter information cards will be made available in electronic form and when used in combination with our electronic mark off system, the voter experience will be fast and efficient. Additionally, a new contemporary website was developed and launched in July 2019. Designed with feedback from our key stakeholders in mind, we have made it easier for people to access the information they need, when they need it, including optimised access on mobile devices. Voter engagement will also be enhanced through social media channels and messaging to electors via SMS and email aimed at improving voter turnout.

New state laws came into effect on 2 October 2018 banning property developers from making political donations. The ECQ has adopted proactive and reactive regulatory measures including the conduct of information sessions, and the release of facts sheets to assist understanding of the new laws. The ECQ received four applications and made four determinations that a person is not a prohibited donor. The ECQ also recovered a number of gifts deemed unlawful.

The past 12 months have seen the ECQ complete an organisational review with the implementation of a new structure, the conduct of five local government councillor by-elections, the provision of information to the Queensland Government and Parliament on law reform proposals, the review of local government arrangement and boundaries across 18 local governments, and the conduct of compliance reviews including the issuing of numerous penalty infringement notices. All this has been achieved by a small and dedicated workforce, which has embraced business improvement opportunities and is one I am very fortunate to have supporting me as Commissioner.

I look forward to the 12 months ahead and fulfilling the ECQ's purpose of enabling the citizens of Queensland to participate in democracy.



Pat Vidgen PSM FGIA
Electoral Commissioner of
Queensland



About us

Who are we

The Electoral Commission of Queensland (ECQ) is an independent statutory authority responsible for the impartial conduct of Queensland elections. The ECQ performs functions under its enabling legislation, the *Electoral Act 1992*, as well as the *Local Government Electoral Act 2011*, *City of Brisbane Act 2010*, *Referendums Act 1997*, *Local Government Act 2009* and *Industrial Relations Act 2016*.

The ECQ's main functions encompass several areas.

- ▶ Preparing, planning and delivering **transparent and accountable elections**, including State elections, local government elections and industrial elections. During 2018-19, the ECQ started planning and preparing in earnest for the major local government and State electoral events due in March and October 2020 respectively.
- ▶ Regulating and promoting **compliance with electoral funding and disclosure requirements** by political parties and candidates. In 2018-19, the ECQ

maintained registration of political parties, undertook compliance reviews of candidates' and parties' electoral activities, published electoral gift disclosures on the Electronic Disclosure System and established and administered the Prohibited Donors Scheme which bans political donations from property developers and related industry organisations.

- ▶ Maintaining **equitable representation across electoral boundaries** through periodic reviews of Queensland's electoral districts (through the Queensland Redistribution Commission) and assessing proposals for changes to local government boundaries and electoral arrangements (through the Local Government Change Commission). In 2018-19, the Local Government Change Commission received 21 referrals for divisional boundary, external boundary and electoral arrangement reviews for Queensland councils.



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

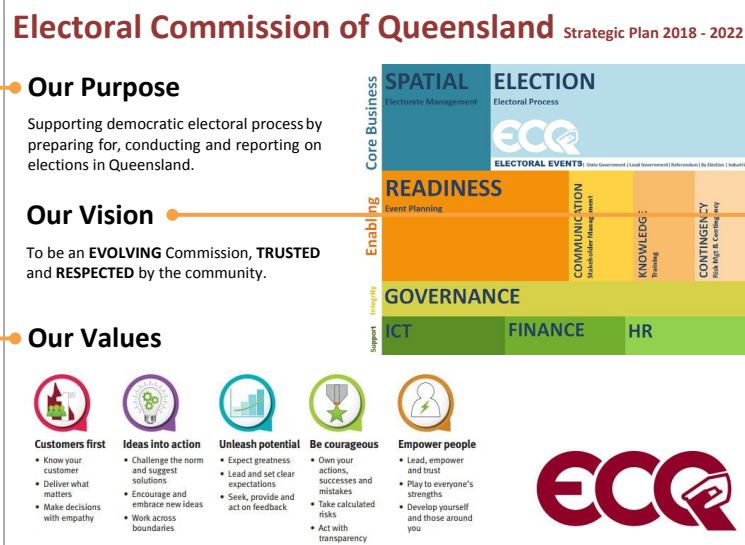
Strategic Plan 2018 – 2022

Our purpose

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

Our vision

To be an **EVOLVING** Commission, **TRUSTED** and **RESPECTED** by the community.



Our values

The Commission upholds the Queensland public service values.



Customers first

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



Ideas into action

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



Unleash potential

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



Be courageous

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



Empower people

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

Our objectives

ECQ Strategic Objectives & KPIs			
Objective 1 Increased awareness of and participation in electoral matters	Objective 2 Queensland has equitable representation across electoral boundaries	Objective 3 Deliver fair and just Queensland Elections	Objective 4 Continual improvement in election services
Strategies <ul style="list-style-type: none"> Develop a Communication and Engagement Strategy based on key client and stakeholder analysis Prioritise key activities under the strategy and build communication and engagement capability Enhance ECQ's brand in running Queensland Elections Key Performance Indicators <ul style="list-style-type: none"> Increased dialogue using communication platforms Increased level of stakeholder satisfaction with election processes 	Strategies <ul style="list-style-type: none"> Actively monitor legislative triggers for redistribution Conduct boundary reviews with transparency, integrity and accountability Work with the Australian Electoral Commission to document and deliver redistribution and change processes Key Performance Indicators <ul style="list-style-type: none"> Monthly updates published on ECQ's website regarding enrolment by electorate Active community consultation throughout the review process Queensland's electoral roll is accurate and updated in light of redistribution and local government change outcomes 	Strategies <ul style="list-style-type: none"> Deliver objectives in a timely and efficient manner Ensure timely and accurate delivery of election services Ensure timely and accurate delivery of election services Ensure timely and accurate delivery of election services Key Performance Indicators <ul style="list-style-type: none"> Timely and accurate delivery of election services Timely and accurate delivery of election services Timely and accurate delivery of election services Timely and accurate delivery of election services 	Strategies <ul style="list-style-type: none"> Continual improvement in election services Continual improvement in election services Continual improvement in election services Continual improvement in election services Key Performance Indicators <ul style="list-style-type: none"> Continual improvement in election services Continual improvement in election services Continual improvement in election services Continual improvement in election services

1
2

Objective 1 | Increased awareness of and participation in electoral matters

Strategies

- Develop a Communication and Engagement Strategy based on key client and stakeholder analysis
- Prioritise key activities under the strategy and build communication and engagement capability
- Enhance ECQ's brand in running Queensland Elections

Key Performance Indicators

- Increased dialogue using communication platforms
- Increased level of stakeholder satisfaction with election processes

Supporting business units

- Strategy, Policy and Governance
- Election Event Management

Objective 2 | Queensland has equitable representation across electoral boundaries

Strategies

- Actively monitor legislative triggers for redistribution
- Conduct boundary reviews with transparency, integrity and accountability
- Work with the Australian Electoral Commission to document and deliver redistribution and change processes

Key Performance Indicators

- Monthly updates published on ECQ's website regarding enrolment by electorate
- Active community consultation throughout the review process
- Queensland's electoral roll is accurate and updated in light of redistribution and local government change outcomes

Supporting business units

- Local Government Change Commission



Operating context

The ECQ is currently planning for the delivery of two major electoral events in 2020: the March 2020 local government quadrennial elections and the October 2020 State general election. This will be the first State election to be held on a fixed date following the referendum on fixed four-year terms, which has allowed the ECQ to undertake long-term planning and take advantage of economies of scale associated with planning and procurement for both elections concurrently.

While planning those events, the ECQ has continued delivery of a major ICT project, the Election Gateway Project, to develop a new Election Management System to replace the current Strategic Election Management System. The new system will provide an integrated election administration and data management system delivering most of the processes necessary to deliver an open and transparent election and be a base for ongoing improvements and expansion in that area.

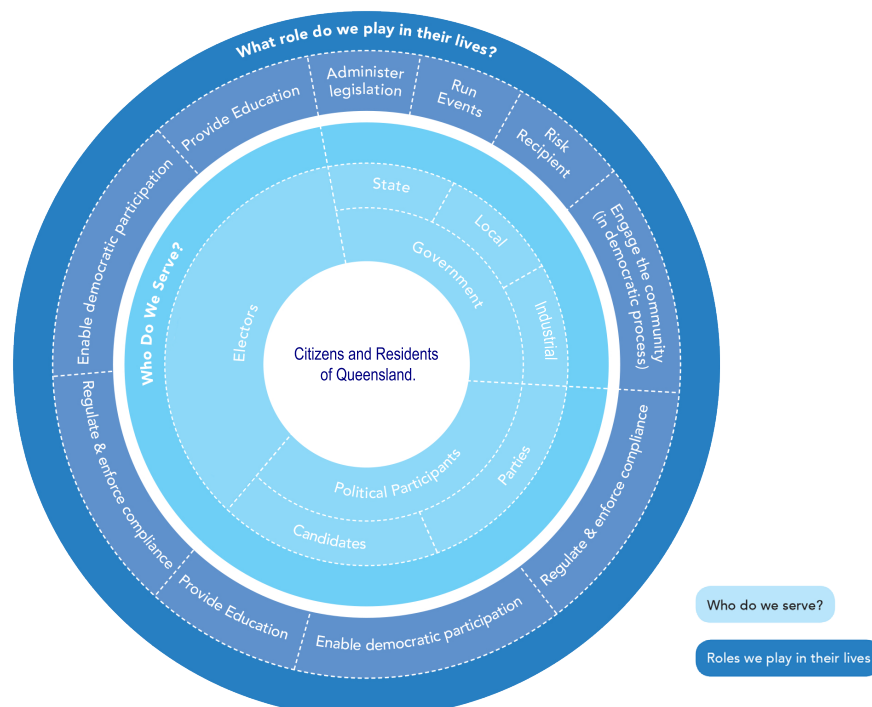
In addition, the ECQ has been implementing a series of business and operational improvements, including recommendations of the independent panel's *Inquiry report - A review of the 2016 local government elections, the referendum and the Toowoomba South by-election* (Independent Panel Report on the 2016 Local Government Elections) aimed at improving both election delivery and internal governance. In accordance with the recommendations of this report, and the Government's and the ECQ's responses, the ECQ commissioned an independent organisational review to examine its operating model and make recommendations regarding its structure. The ECQ is continuing implementation of the recommendations of this review including establishing a new structure and enhancing capacity and capability in key areas.

Over recent years, the ECQ has also been responsible for operationalising a series of legislative reforms aimed at improving transparency of Queensland's electoral processes, some of which have arisen from the Crime and Corruption Commission's report *Operation Belcarra: A Blueprint for integrity and addressing corruption risk in local government*. In particular, since 2017, ECQ has implemented the Electronic Disclosure System for disclosure of electoral gifts by donors, candidate and political parties, and the Prohibited Donors Scheme banning political donations from property developers.

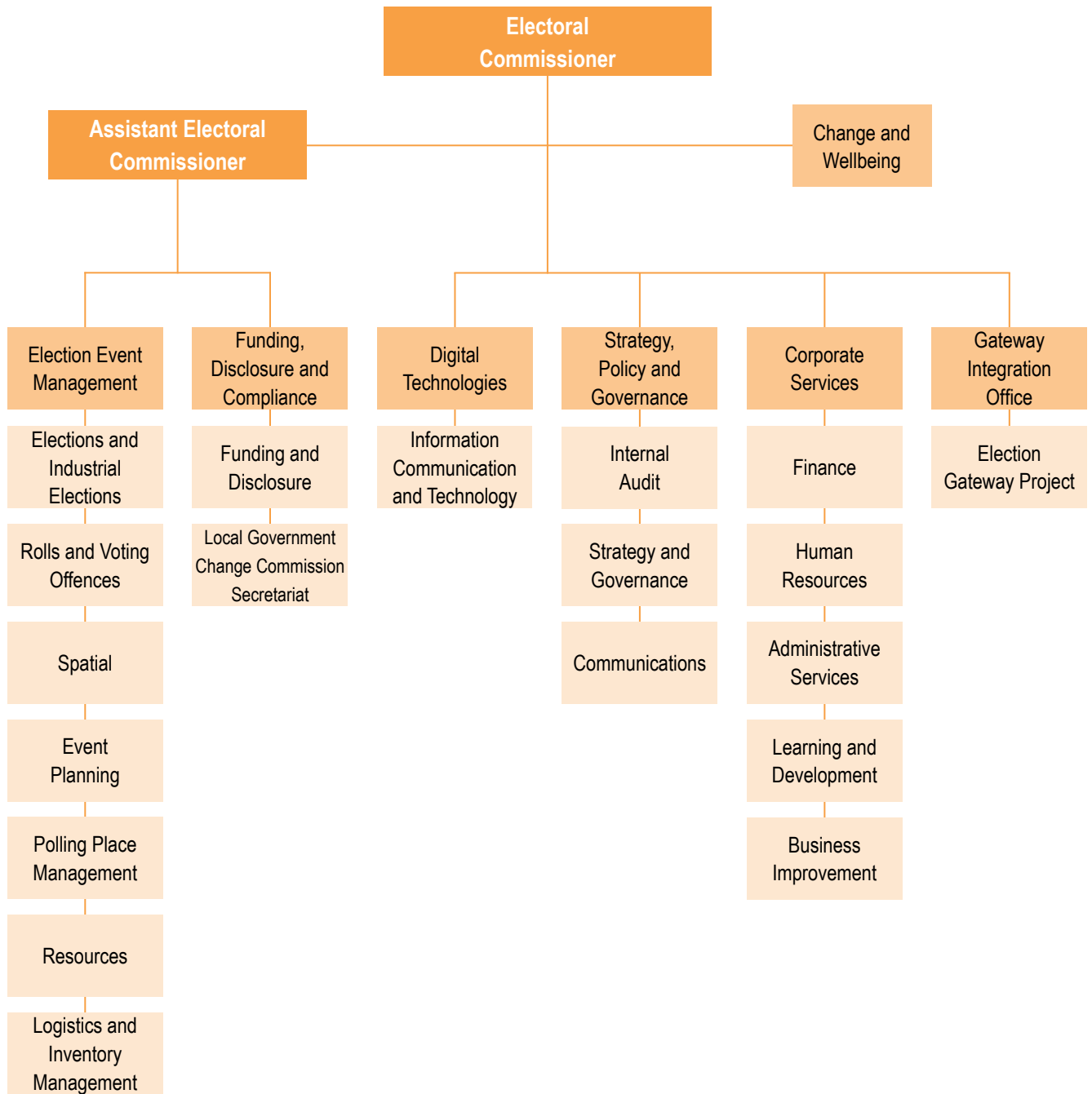
As at 30 June 2019, there were two additional electoral reform Bills before the Queensland Parliament that, if passed, would require the ECQ to adjust operations and systems for delivery of the 2020 elections. These Bills implement further recommendations of the Crime and Corruption Commission's *Operation Belcarra* report and the Independent Panel Report on the 2016 Local Government Elections.

The ECQ has worked closely with the Queensland Government to determine the operational impacts of the proposed amendments and ensure that changes to systems and processes resulting from the Bills can be implemented prior to delivery of the 2020 elections.

These measures have ensured that the ECQ is well-positioned for delivery of the major electoral events in 2020, ensuring the needs of Queensland citizens are met.



Organisational structure



Highlights



3.275 million

electors in Queensland



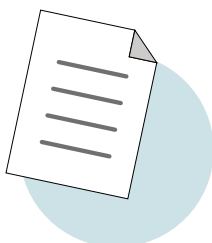
3000+

disclosure returns lodged in the
Electronic Disclosure System



\$18,599

worth of unlawful political donations
recovered as a debt to the state



182

public submissions made to the
Local Government Change Commission



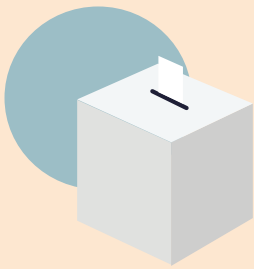
16

divisional boundary reviews commenced



700+

applications assessed for Returning Officers



26

industrial elections held



5

local government councillor by-elections held



108,856

Apparent Failure to Vote
notices sent to non-voters



140

compliance reviews of
local government candidates

Performance

Elections

Overview

The ECQ is responsible for the planning, preparation and delivery of Queensland's elections. This encompasses State general elections, local government quadrennial elections, any referenda submitted to electors, by-elections for State or local government vacancies in between elections, and industrial elections.

Planning for and delivering elections requires the deployment of effective and secure technology solutions, comprehensive communication and engagement strategies, quality staff recruitment and training as well as coordination of a complex range of logistical requirements associated with delivery of the elections.

ECQ Strategic Plan Objective

- ▶ Objective 1, Increased Awareness of and Participation in Electoral Matters
- ▶ Objective 3, Deliver Fair and Just Queensland Elections, and
- ▶ Objective 4, Continual Improvement in Election Services.

Highlights

In 2018-19, the ECQ;

- ▶ accelerated preparations for the 2020 local government quadrennial elections and 2020 State general election
- ▶ commenced Returning Officer and Assistant Returning Officer recruitment for the local government elections using a merit-based selection process
- ▶ delivered five councillor by-elections across Queensland
- ▶ commenced compliance action for electors who appeared to have failed to vote in the 2017 State general election and in local government by-elections
- ▶ completed a significant proportion of the software development phase of the Election Gateway Project
- ▶ developed a new ECQ website and logo, and
- ▶ launched and promoted the Guide to Democracy, a free online learning resource which explores active citizenship and elections in Queensland.

2020 election preparations

In 2020, the ECQ will deliver both the local government quadrennial elections and the State general election to more than 3.275 million enrolled Queensland electors. The ECQ is committed to delivering both elections to a consistently high standard, ensuring that Queensland electors have fair and equitable access to elections and that electoral events are conducted in a transparent and accountable manner.

In preparation for the 2020 elections, the ECQ is delivering a major modernisation program of business and technological improvements including implementing recommendations made in the Independent Panel Report on the 2016 Local Government Elections.



Planning for major election events

The process of planning, preparing and delivering electoral events is a complex undertaking encompassing a range of activities to deliver electoral services to Queensland's electors.

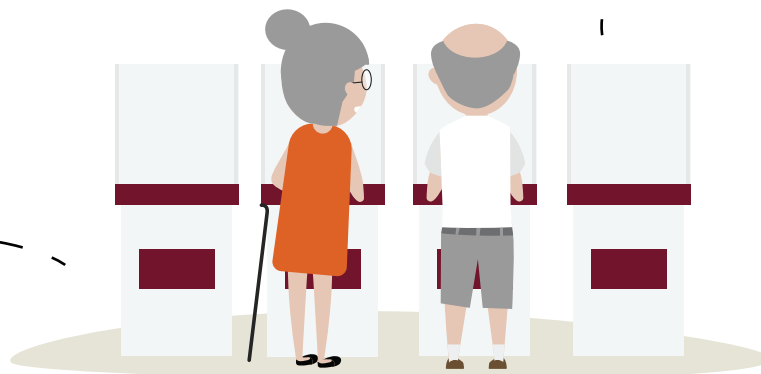
The 2020 elections are being delivered through a project management process encompassing approximately 40 distinct projects covering areas such as election advertising, party and candidate briefings, recruitment and payment of temporary election staff and identification and securing venues for polling booths.

Steps involved in delivering elections include:

- ▶ identifying and securing venues for polling booths
- ▶ determining the level of services required to cater for the diverse needs of all Queensland electors, such as declared institution voting, early voting, remote area mobile polling, postal voting and telephone voting
- ▶ coordinating logistics to ensure adequate resourcing of returning offices and polling booths
- ▶ acquiring, preparing, configuring, testing and deploying technology required to support election staff in the field
- ▶ printing and distributing ballot papers
- ▶ increasing elector awareness of enrolment, voting options and election information
- ▶ recruiting and training temporary election staff
- ▶ processing of candidate nominations
- ▶ preparing and delivering training and briefings to candidates and political parties
- ▶ approving how-to-vote cards
- ▶ engaging with key stakeholders including individual councils, the Local Government Association of Queensland, key community groups, political parties and candidates
- ▶ conducting post-event reviews to improve service delivery, and
- ▶ preparing reports on the conduct of elections for tabling in Parliament.

Across Queensland, each major electoral event requires:

- ▶ the recruitment, training and resourcing of up to 150 Returning Officers and Assistant Returning Officers
- ▶ the recruitment and training of up to 11,000 temporary election staff
- ▶ identifying, securing, resourcing and management of up to 1,200 polling booths
- ▶ service delivery to all electors, which as of 30 June 2019 sits at 3.275 million, and
- ▶ service delivery to all candidates, which in the 2017 State general election totalled 453, and in the 2016 local government quadrennial elections totalled 1,767 (including Brisbane City Council).



2020 local government quadrennial elections

The 2020 local government quadrennial elections are due to be held on Saturday, 28 March 2020 to elect 77 mayors and 502 councillors across the State's 77 local government areas (54 undivided councils and 23 divided councils).

The ECQ has engaged with all local councils ahead of the March election to discuss proposed voter services including polling booth locations and postal ballots, as well as media and advertising strategies. In preparation for delivery of the local government elections, the ECQ undertook a comprehensive review of budgeting and accounting practices to develop an accurate estimate of the actual costs of conducting local government elections, which are passed on to individual councils on a cost recovery basis. To ensure that elections are conducted in the most cost-effective way possible, the ECQ is working closely with each council to identify cost efficiencies and ensure that election service delivery meets local needs.

Up to 1,200 polling booths will be in use on election day, and early voting centres will be reviewed for each council in conjunction with the type of election the ECQ will conduct (attendance, postal or a hybrid of the two). The ECQ is also conscious of the national increase in early voting and, based on figures from other electoral commissions, is estimating an average of 30 per cent early voting for the 2020 elections.

The ECQ is also working closely with the Department of Local Government, Racing and Multicultural Affairs on the delivery of training for local government candidates prior to the 2020 local government elections.

Divided and undivided councils

There are 77 local government areas within Queensland, which can be either divided or undivided.

In a divided council, the local government area is geographically separated into individual areas referred to as divisions. The electors residing within each division elect at least one councillor from their division to sit on the council.

In an undivided council, the local government area is effectively a single division. All electors residing within the whole local government area elect all councillors to sit on the council.

Regardless of whether the council is divided or undivided, councillors must represent the current and future interests of the residents of the entire local government area.

Temporary election staff recruitment and training

In accordance with recommendations of the Independent Panel Report on the 2016 Local Government Elections, the ECQ is implementing a more integrated strategy for the recruitment, training, payment and performance of temporary election staff for the 2020 local government quadrennial elections. Key actions under the strategy include:

- ▶ open advertisement of temporary election roles to the public through the Queensland Government SmartJobs website
- ▶ undertaking a formal, open merit-based selection process to recruit Returning Officers and Assistant Returning Officers
- ▶ developing a consolidated training strategy for temporary election staff, combining face-to-face, online and role manuals in a cascading structure, and
- ▶ conducting a thorough evaluation of the strategy to identify opportunities for improvement.

During 2018-19, recruitment of Returning Officers and Assistant Returning Officers commenced, with ECQ selection panels reviewing approximately 700 applications from individuals interested in working at Queensland's elections, of which over 200 were shortlisted for interview.

Once recruitment is complete, successful applicants will receive face-to-face training, supplemented by online training as well as targeted communication via telephone, email and webinars to ensure they are fully prepared and confident to perform in their chosen role.

2020 State general election

The State general election is due to be held on Saturday, 31 October 2020 and will be the first State election to be held on a fixed date following the introduction of fixed Parliamentary terms in Queensland.

The ECQ has commenced preparations for the delivery of the State general election in parallel with planning for the local government quadrennial elections. The proximity between the two elections creates planning efficiencies such as identification and purchase of materials and selecting preferred contractors that can be used across both events.

Meeting community needs

The delivery of electoral events needs to accommodate a diverse community. The ECQ aims to ensure Queenslanders have equitable access to various electoral services, thereby providing all electors an opportunity to have their say about who represents their interests in State and local governments. Doing so contributes to the achievement of several whole-of-government plans and initiatives including *All Abilities Queensland: opportunities for all State Disability Plan 2017-2020*, *Queensland: an age friendly community Action Plan* and the *Queensland Government Multicultural Action Plan 2016-2019*.

In its planning for the elections in 2020, the range of electoral services that will be delivered by the ECQ includes:

- ▶ providing voting assistance to eligible electors through services such as telephone voting, voting at declared institutions such as selected hospitals and aged care facilities, elector visitor (at home) voting and postal voting
- ▶ assessing and advertising accessibility requirements as part of the process of selecting and providing public information regarding polling booths
- ▶ training polling officials to assist electors at polling booths with hearing or visual impairments or mobility-related disabilities
- ▶ conducting Remote Area Mobile Polling in identified communities
- ▶ delivering election information in other languages, such as through the Multilingual Guide to Voting and via translation and interpretation services, to meet the needs of culturally and linguistically diverse communities
- ▶ providing interpreter services, including AUSLAN for electors who are deaf or have a hearing or speech impediment
- ▶ producing a Voter Information Card sent to electors, excluding special postal voters, to provide information about the elections and how to make the voting process both quicker and easier.

During 2018-19, the ECQ consulted with stakeholders representing people with disability, culturally and linguistically diverse communities and the vision-impaired to inform the range and composition of services that should be available to meet the diverse needs of Queensland's electors. This engagement will continue as planning progresses for the 2020 elections.

By-elections

The ECQ conducts by-elections for State and local governments, including mayoral and councillor by-elections.

During planning for a local government by-election, the ECQ engages with local governments on a range of matters including media and advertising, the use of council facilities and elector demographics, to reduce cost while ensuring voter awareness and services are a priority. Voter services can include a range of options including polling booths, postal and telephone voting, and full postal ballots.

For example, local governments have the option to use a Voter Information Card sent to eligible electors in the local government area to ensure eligible electors are aware of the election.

The ECQ conducted five local government councillor by-elections in 2018-19. There were no local government mayoral by-elections held.

Table 1 - Local government by-elections held in 2018-19

Local Government	Election Day	Number of enrolled electors	Turnout	Informality
Doomadgee Aboriginal Shire Council	7 July 2018	595	51.60%	1.30%
Fraser Coast Regional Council Division 10	21 July 2018	7,309	76.28%	3.66%
Hinchinbrook Shire Council	13 October 2018	8,135	78.21%	1.59%
Lockhart River Aboriginal Shire Council	13 October 2018	356	52.25%	1.61%
Gladstone Regional Council	17 November 2018	40,384	72.84%	5.28%

Election Gateway Project

The ECQ's Election Gateway Project will replace the current Strategic Election Management System with a new Election Management System (EMS). The new EMS will provide an integrated and secure election administration and data management system for most of the processes necessary to deliver an open and transparent election and provide efficiencies in election administration that replaces several paper-based processes.

When completed, the EMS will deliver a secure, personalised, interactive and efficient online experience for electors, candidates and election staff through new functionality such as:

- ▶ access for electors to electoral information through a self-service portal available across a range of devices
- ▶ online processes for recruitment, training, performance assessment and remuneration of election staff, and
- ▶ dedicated portals for candidates and political parties to manage nominations and reporting and access supporting information and election results.

The EMS will comprise a number of separate modules with approximately 650 individual election processes and have over 20 integration points with other systems. The system will allow users to perform functions including:

- ▶ management of electorates, buildings and venues as well as the logistics required to run a polling booth
- ▶ release of election results
- ▶ management of the electoral roll mark-off of electors (ePollbook)
- ▶ recruitment, payroll, logistics and management of the election workforce
- ▶ providing an online portal for candidates, political parties and donors
- ▶ acquiring and managing data, and
- ▶ managing equipment and stock required to run an election.

The project is approaching the conclusion of the software development phase. Preliminary versions of the new system are being subjected to a rolling program of electoral event simulations and formal testing to assess functionality and quality. These simulations have allowed the ECQ's staff to learn and experience the new system and provide user feedback to the development team. The completion of the relevant functionalities required to conduct the local government quadrennial elections in March 2020 remains on schedule.

Training for the temporary election workforce and ECQ staff on the new system is scheduled for the latter part of 2019 and early 2020. The ECQ will consider opportunities for engagement with stakeholders on the automated services to be offered by the new system during 2019-20.

A process has also been established to incorporate the additional functionalities required to operationalise proposed amendments to the *Electoral Act 1992* and the *Local Government Electoral Act 2011*. In conjunction with the development of the EMS and expected legislative amendments, upgrades to the Electronic Disclosure System and temporary election workforce payroll system are being implemented to allow for integration with the EMS. These upgrades are also scheduled to be completed prior to the local government elections in March 2020.

Industrial elections

The ECQ conducts elections for employer and employee organisations registered in Queensland as a requirement of the *Industrial Relations Act 2016*. The Queensland Industrial Relations Commission initiates industrial elections by instructing the ECQ to conduct elections for a position or positions of office within an organisation.

In 2018-19, the ECQ conducted 26 industrial elections for a total of 755 available positions. For these positions, the ECQ received 515 nominations. In 37 instances a position received more nominations than there were places available, which then proceeded to ballot as a contested election.

A total of 9,997 ballot papers were produced and forwarded to eligible voters, with 2,204 returned and counted.

Voter compliance

Enrolling and voting is compulsory for Queensland citizens over the age of 18. The ECQ takes proactive steps to engage electors before and during electoral events to reduce the instance of non-voting and drive participation by electors. Communication with electors includes advertising through various channels, social media and distribution of Voter Information Cards directly to eligible electors.

Following elections, the ECQ investigates instances of apparent failure to vote and may pursue those who failed to vote with the aim of increasing electoral participation.

In 2018-19 the ECQ conducted a non-voter project following the 2017 State general election, which resulted in the following actions.

- ▶ 100,006 electors were issued a warning, with no fines issued.
- ▶ 108,856 electors were issued an Apparent Failure to Vote Notice.
- ▶ 35,763 matters were resolved after contact with the elector either by payment of the fine, or by providing a valid and sufficient reason for not voting.
- ▶ 57,416 outstanding offences were referred to the State Penalty Enforcement Registry, as required by legislation, after the elector failed to provide a valid reason and failed to pay their initial fine.

Additionally, the ECQ has systems in place to identify possible instances of voters casting more than a single vote during an election. Some instances of multiple voting can be easily explained, for instance where a person has previously completed a postal vote and then cast a second vote at a polling booth, having forgotten they have already voted via post.

The use of electronically linked electoral rolls in polling places has reduced the likelihood and possibility of multiple voting occurring. However, if multiple voting is detected and the ECQ is not able to satisfactorily resolve the matter, it may be referred to the Queensland Police Service for further investigation and potential prosecution.

In 2018-19, the ECQ identified a very small number of potential instances of multiple voting in the five local government by-elections conducted. The level of potential multiple voting identified did not undermine the integrity of the final results.

Support to other electoral commissions

The ECQ works closely with other election management bodies, including the Australian Electoral Commission (AEC). During the 2019 Federal election held on 18 May 2019, ECQ staff assisted the AEC to conduct the Remote Area Mobile Polling program providing voting services to many electors who would not be able to get to a polling booth, or make use of a postal vote due to time and delivery constraints.

ECQ staff travelled with AEC teams by road and air to remote communities in far north Queensland including the Torres Strait and the Mount Isa region, offering voting services to eligible Australians in those regions. The team also assisted the AEC to provide training support for election day staff in Cape York and operational support on election day to polling booths in the Torres Strait. ECQ staff also worked as polling officials and count staff for the AEC in various locations around Queensland.

The partnership with AEC enhances understanding of electoral processes and assists in addressing the logistical challenges raised by Queensland's geography. The ECQ will continue to work with the AEC to share insights and apply lessons learned from the AEC's program to the ECQ's delivery of the Remote Area Mobile Polling program for the 2020 electoral events in a way that meet the needs of electors.

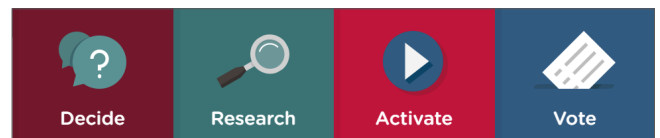
Additionally, the ECQ regularly provides early voting services at its 1 Eagle Street office for electors visiting from interstate. This service not only enhances relationships with interstate counterparts, but also promotes innovation and ensures people are able to exercise their right to vote. During 2018-19, the ECQ provided early voting services for:

- ▶ the Tasmanian Legislative Council elections for the divisions of Montgomery, Pembroke and Nelson
- ▶ the Victorian state election
- ▶ a by-election for the South Australia House of Assembly electoral district of Enfield, and
- ▶ iVote services for the New South Wales state election.

Guide to democracy

In 2018-19, the ECQ launched the Guide to Democracy, a free online learning resource which explores active citizenship and elections in Queensland. The Guide to Democracy is tailored to schools and encourages students to consider issues important to them while highlighting ways to effect positive change in the community through petitions, letter writing and ultimately voting.

The Guide to Democracy helps classes to hold their own elections by providing a step-by-step guide as well as downloadable templates of ballot papers and count sheets which tally the results.



To create an authentic experience, the ECQ makes election packs available to schools comprising a ballot box, voting screens, and vests for polling officials and scrutineers - the same materials as those used at real elections. Teachers can also access lesson plans which have been tailored to the Queensland curriculum by the Department of Education.

During 2018-19, the ECQ participated in a number of educational activities in conjunction with the Queensland Parliamentary Service, and promoted the Guide to Democracy to schools through the Department of Education, Queensland Catholic Education Commission and Independent Schools Queensland.

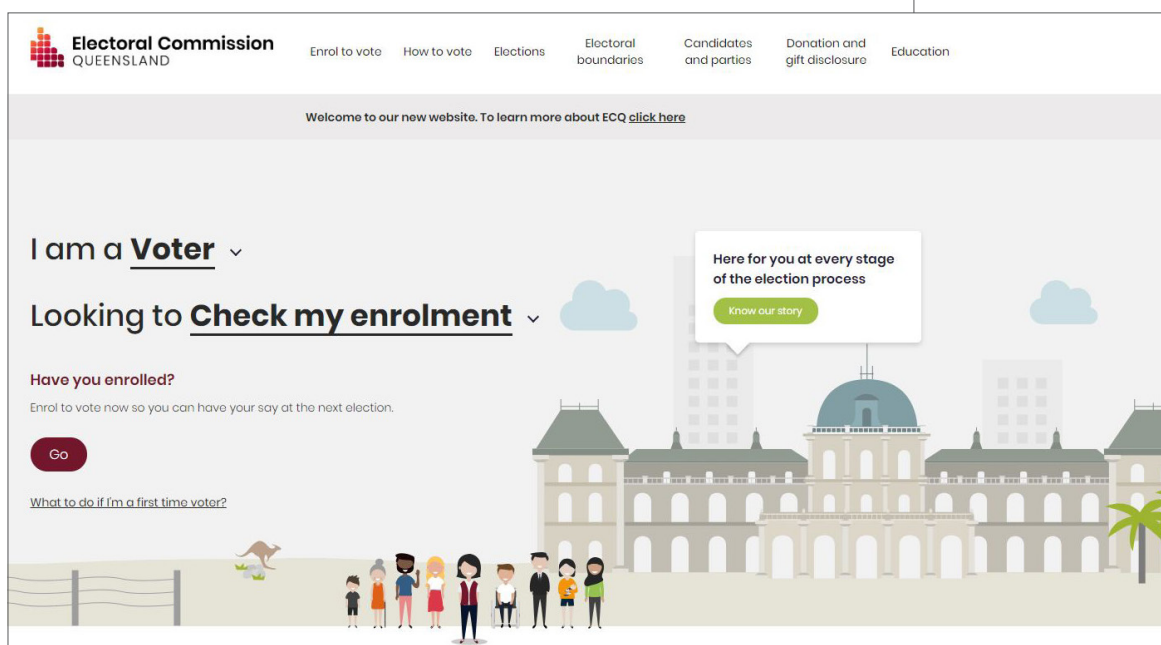
New website and logo

During 2018-19, the ECQ developed a new website to improve access to information about the electoral system. The website was designed in a modern, user-friendly format which is easy to navigate and optimised for use on mobile devices. The website meets universally recognised accessibility guidelines to ensure that content is accessible to people with disabilities, and that electoral information is available to a broad audience regardless of age, education or ability.

The new site will deliver tailored information to Queensland electors, candidates, political parties and donors while continuing to provide access to the Electronic Disclosure System, which provides real-time information on political donations. Further functionality will be rolled out in advance of the 2020 elections.

The website will be a key tool for communicating electoral information as part of the ECQ's broader communication and engagement strategy for the 2020 elections. During 2018-19, the ECQ also expanded its social media communications as a key tool for engaging with the community, and will continue to promote these channels to deliver electoral information to Queenslanders.

In conjunction with the website refresh, a new ECQ logo was designed for launch on 1 July 2019, the first update since establishment in 1992. The new logo symbolises diversity and unity across the state and represents a timely modernisation of the ECQ's corporate identity in advance of the 2020 elections.



Future priorities for 2019–20

During 2019–20, the ECQ will continue to perform its responsibilities for the management of electoral events including:

- ▶ finalising preparations and delivering the local government quadrennial elections to be held on 28 March 2020
- ▶ continuing planning and preparations for the delivery of the State general election to be held on 31 October 2020
- ▶ finalising the development and implementation of functionality of the new Election Management System required for the 2020 local government elections
- ▶ continuing a comprehensive program of engagement with councils to ensure delivery of the local government elections meets community needs
- ▶ delivering training to temporary election staff for the 2020 local government elections
- ▶ expanding opportunities to use technology to support election delivery, including through communications using the new ECQ website, social media channels, emails and SMS, developing an electronic Voter Information Card for electors and utilising the enhanced functionality of the new Election Management System
- ▶ delivering advertising and communications to the Queensland community promoting awareness of election dates, enrolment, available voting options, casting of formal votes and penalties for not voting, in advance of the 2020 local government elections
- ▶ conducting elections for employer and employee organisations as required under the *Industrial Relations Act 2016*, and
- ▶ continuing to promote use of the Guide to Democracy resources in Queensland schools.

Funding, Disclosure and Compliance

Overview

The ECQ is responsible for regulating political funding and financial disclosure in Queensland through enforcement activities and real-time reporting of gifts, supported by stakeholder engagement to promote compliance.

The ECQ provides support to candidates, third parties and registered political parties to comply with Queensland's electoral donation laws, including prohibited donation laws, which supports the delivery of transparent and accountable elections. The ECQ also maintains and provides user support for the Electronic Disclosure System for the real-time reporting of gifts, and maintains the Queensland register of political parties.

ECQ Strategic Plan Objective

- ▶ Objective 3, Deliver Fair and Just Queensland Elections, and
- ▶ Objective 4, Continual Improvement in Election Services.

Highlights

In 2018-19, the ECQ:

- ▶ successfully implemented the Prohibited Donors Scheme to ban political donations from property developers and related industry organisations
- ▶ applied the new prohibited donors legislation to recover \$18,599 in unlawful political donations as a debt to the state
- ▶ enhanced functionality of the Electronic Disclosure System to ensure accurate and timely disclosure of gifts, and
- ▶ undertook compliance audits of every candidate who stood for election in a local government by-election during the 2017, 2018 and 2019 calendar years.

Prohibited Donors Scheme

During 2018-19, the ECQ established the Prohibited Donors Scheme to operationalise the legislative ban on political donations from property developers and related industry organisations. The legislative requirements commenced on 2 October 2018 with retrospective application to 12 October 2017. The policy objectives of the legislation included reinforcing integrity and minimising corruption risk that political donations from property developers have on both a State and local government level.

Following the commencement of the Prohibited Donors Scheme, recipients had a 30-day transitional period to allow the return of any unlawful political donations made since 12 October 2017. After that transitional period, the ECQ conducted a high-level audit of all political donations made by companies since 12 October 2017. The audit identified five donations totalling \$13,599 which were likely to have been made by prohibited donors and had not been returned within the 30-day period. The ECQ issued a debt recovery notice for this amount and the relevant party paid the amount without dispute. Separately, a search of open source data identified an additional gift of \$5,000 from a prohibited donor. Again, a debt recovery notice was issued, with the amount paid to the ECQ without dispute.

The Prohibited Donors Scheme has been supported by proactive engagement strategies to educate stakeholders (including councillors, registered political parties and industry groups) about their obligations under the *Electoral Act 1992* and the *Local Government Electoral Act 2011*. Throughout the 2018-19 financial year, ECQ officers visited 13 local councils and engaged with approximately 175 Mayors, councillors and staff to deliver education sessions to stakeholders and promote compliance with the legislation.

Additionally, several information sessions were held at the ECQ office in Brisbane. These sessions offered attendees the opportunity to be briefed on the changes to legislation by the Electoral Commissioner and ECQ staff and to raise questions and offer feedback. Attendees included representatives of registered political parties, stakeholder groups (Local Government Association of Queensland, Urban Development Industry Association, and the Property Council of Australia), and the Brisbane City Council. To support compliance, the ECQ also produced 14 fact sheets and other guidance material, available to the public on the ECQ website, to explain the operation of the legislation and the obligations it imposed.

Interested parties may apply to the ECQ for a determination that a person or another entity is not a prohibited donor under the terms of the legislation. As at 30 June 2019, the ECQ had issued four such determinations, including one which was subsequently revoked due to a change in circumstances.

Prohibited Donor Determinations

The process for assessing applications for determinations that a person or entity is not a prohibited donor differs depending on the complexity and circumstances of the particular application.

In one instance during 2018-19, the ECQ assessed an application for a determination from an individual who was employed by an organisation engaged in significant property developments in Queensland. In assessing the application, the ECQ:

- ▶ considered whether the applicant was a property developer or a 'close associate' of a property developer
- ▶ undertook searches of Australian Securities and Investments Commission registers, and
- ▶ liaised with government agencies who administer Queensland's planning regime, as well as local councils, to ascertain the accuracy and completeness of the information provided in the application.

The ECQ has produced application forms, policies, procedures, internal review guidelines and a regulatory strategy to support applicants in this process and ensure transparency in the application and assessment process. Subject to approval of determinations by the Electoral Commissioner or delegate, determinations allow the applicant to make political donations to political parties, elected officials or candidates lawfully.

Spence v State of Queensland

Following the introduction of the Prohibited Donors Scheme, the Australian Government enacted laws regarding the regulation of gifts and donations to political parties and third parties operating in both Federal and State elections. The Commonwealth provisions, namely section 302CA of the *Commonwealth Electoral Act 1918*, purported to enable Queensland political parties to receive otherwise unlawful donations from property developers, if those donations were either designated to be used for Commonwealth electoral purposes, or may be used for such a purpose.

On 17 April 2019, the High Court of Australia found that section 302CA of the amended *Commonwealth Electoral Act 1918* was wholly invalid. The High Court's ruling meant that any donations received by Queensland registered political parties from prohibited donors between 1 January 2019 (when section 302CA commenced) and 17 April 2019 and regardless of whether it was intended for use for a State or Commonwealth purpose, were unlawful.

On 3 June 2019, the Electoral Commissioner released a Statement of Reasons to explain that he would be allowing recipients to return the prohibited gifts to donors, rather than issue a debt recovery notice for these gifts, subject to specified conditions being met. In making this decision, the Electoral Commissioner took into account the legal implications, statutory powers and responsibilities of the ECQ and relevant public interest considerations.

As at 30 June 2019, all political parties had provided information to demonstrate their compliance with the conditions set out by the Electoral Commissioner.

Electronic Disclosure System

The Electronic Disclosure System was launched in February 2017 to enable the real-time reporting of political gifts, loans and expenditure, allowing for greater transparency and increased public awareness around political funding and financial activity in Queensland.

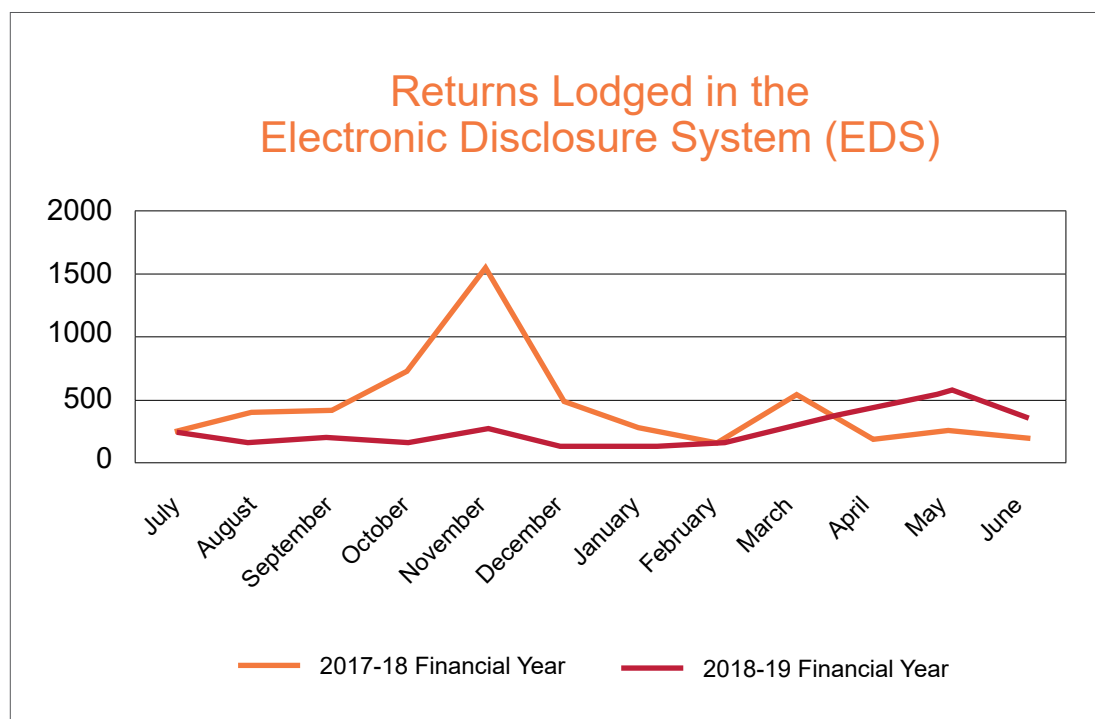
During 2018-19, over 3,000 disclosure returns were lodged in the Electronic Disclosure System. This represents a 44 per cent decrease in the number of returns lodged in comparison to the previous financial year, as no major electoral events were held during 2018-19.

The ECQ uses data from the Electronic Disclosure System to improve compliance with legislative disclosure obligations. For example, each gift needs to be reconciled with a corresponding return from both the donor and recipient. During 2018-19, the ECQ used the Electronic

Disclosure System to identify and contact over 60 high-risk donors who failed to lodge corresponding returns for gifts made to candidates and registered political parties between 2016 and 2019. As at 30 June 2019, 67 per cent of those donors have lodged returns in the Electronic Disclosure System, resulting in the reconciliation of over \$1.6 million worth of gifts.

The Electronic Disclosure System underwent significant improvements in 2018-19 both to improve its alignment with existing and amended legislation and to enhance user experience. For example, gift recipients can now flag a gift in the Electronic Disclosure System as being returned to the donor, including the circumstances under which they were returned. This function was introduced following the commencement of the Prohibited Donors Scheme and allowed the ECQ and the public to readily view and report on the details of returned gifts.

Figure 1 - Number of returns lodged in the Electronic Disclosure System for the 2017-18 and 2018-19 financial years



Note: Total figures fluctuate due to ongoing compliance activities and review of data lodged in the Electronic Disclosure System.

Registration of political parties

The ECQ maintains the register of political parties in accordance with the *Electoral Act 1992*. As at 30 June 2019, there are eight registered political parties in Queensland, as detailed below.

During 2018-19:

- ▶ the Shooters, Fishers and Farmers Party (QLD) was added to the register, and
- ▶ the Liberal Democratic Party applied to register in Queensland but was refused due to the party not meeting the requirement to provide the names and addresses of least 500 members of the party who were electors in Queensland.

Electoral reform legislation

On 1 May 2019, the Electoral and Other Legislation Amendment Bill 2019 and Local Government (Implementing Stage 2 of Belcarra) and Other Legislation Amendment Bill 2019 (the Bills) were introduced into the Legislative Assembly.

These Bills include amendments to implement stage 2 of the Operation Belcarra reforms, changes recommended in the Independent Panel Report on the 2016 Local Government Elections and align certain State and local government electoral processes.

Amendments proposed in the Bills include introducing:

- ▶ requirements for prisoners with a sentence of three years or less to vote
- ▶ real time disclosure of electoral expenditure
- ▶ new requirements regarding registering and campaigning as a group of candidates
- ▶ mandatory training for candidates prior to nomination
- ▶ dedicated campaign bank account requirements including prohibiting the use of credit cards for campaign expenses
- ▶ additional transparency around reporting of gifts, and
- ▶ the introduction of compulsory preferential voting for mayoral and single councillor elections.

The ECQ worked with Queensland Government agencies regarding the operational impacts of the proposed legislative amendments prior to introduction of the Bills, and is preparing to implement any changes required prior to the 2020 elections. The ECQ also provided advice to the Queensland Parliament's Economics and Governance Committee's inquiry into the Bills, through making a submission and appearing at a committee hearing.

Table 2 - Register of Political Parties

Registered political party	Registration date
Australian Labor Party (State of Queensland)	14 August 1992
Queensland Greens	6 May 1994
Liberal National Party of Queensland	9 September 2008
Pauline Hanson's One Nation Queensland Division	12 August 2011
Katter's Australian Party (KAP)	22 September 2011
Civil Liberties, Consumer Rights, No-Tolls	23 October 2015
The Flux Party Queensland	22 December 2017
Shooters, Fishers and Farmers Party (QLD)	5 November 2018

Compliance activities

Compliance and Enforcement Policy

In 2018-19, the ECQ developed and implemented a new Compliance and Enforcement Policy. This policy sets out the underlying principles the ECQ uses to regulate the activities of political entities and outlines the ECQ's compliance and enforcement functions, regulatory strategies and tools.

The ECQ's Compliance and Enforcement Policy, outlined in the diagram below, promotes proactive compliance through education, training and public awareness, while retaining flexibility to escalate enforcement actions in instances of continued non-compliance.

Periodic returns

The ECQ regularly reviews the biannual periodic returns required to be lodged by registered political parties. During the 2018-19 financial year, the ECQ reviewed five periodic returns relating to three registered political parties for the 2016 calendar year. Of the five reviews conducted, four resulted in the party being required to amend their periodic returns.

Election compliance

During 2018-19, the ECQ completed compliance reviews for every candidate who contested a local government by-election during 2017, 2018 and 2019. The nature of these compliance reviews differed depending on the circumstances of the individual candidates. Generally:

- ▶ where a nil return was lodged (i.e. the candidate claimed no reportable transactions for the period), candidates were provided with additional information and encouraged to review their circumstances to confirm the accuracy of a nil return
- ▶ where a return was lodged with gifts disclosed, candidates were requested to provide bank account statements for audit purposes, or
- ▶ where an accurate return was not lodged at the time of review, candidates were requested to lodge a return or request an amendment to their lodgement and, in cases of continued non-compliance, issued with Penalty Infringement Notices.

Similar compliance activities were also conducted in relation to the 2016 local government quadrennial election and compliance reviews have commenced for the 2017 State general election and general third-party donor activities.

Figure 2 - Compliance and Enforcement Pyramid

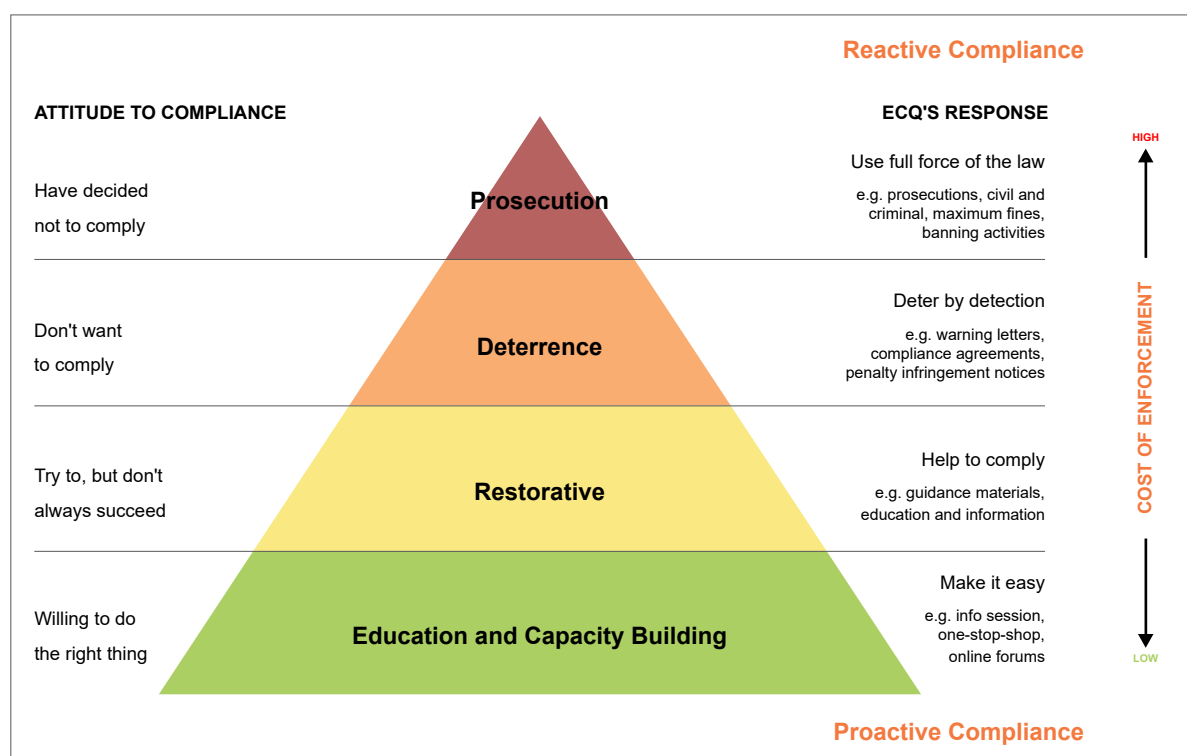


Table 3 - Compliance audits of local government by-elections

By-Election	Nil Returns Reviewed	Bank Audits Conducted	Lodgements/ Amendments	Penalty Infringement Notice Issued
Banana Shire Council Div. 6	2	0	0	0
Ipswich City Council Mayoral	0	0	0	1
Boulia Shire Council	1	0	2	2
Paroo Shire Council	3	0	0	0
Ipswich City Council Div. 7	0	0	2	1
Central Highlands Regional Council	6	0	2	0
Kowanayama Aboriginal Shire Council	0	0	0	2
Lockhart River Aboriginal Shire Council	1	0	1	1
Isaac Regional Council Div. 1	3	0	0	0
Winton Shire Council Mayoral	4	0	0	0
Morningside (Brisbane City Council)	1	1	2	0
Winton Shire Council	6	0	2	0
Bundaberg Regional Council Div. 8	2	0	1	0
Bundaberg Regional Council Div. 10	3	0	1	0
Lockyer Valley Regional Council	7	1	1	0
Napranum Aboriginal Shire Council	0	0	0	3
Tablelands Regional Council Div. 6	5	0	0	0
Livingstone Shire Council	8	0	3	0
Gympie Regional Council Div. 8	3	0	0	0
Charters Towers Regional Council	9	0	1	0
Fraser Coast Regional Council Mayoral	4	2	2	0
Doomadgee Aboriginal Shire Council	0	0	3	1
Fraser Coast Regional Council Div. 10	3	2	3	1

By-Election	Nil Returns Reviewed	Bank Audits Conducted	Lodgements/ Amendments	Penalty Infringement Notice Issued
Hinchinbrook Shire Council	3	12	1	0
Lockhart River Aboriginal Shire Council	1	0	0	1
Gladstone Regional Council	3	3	0	0
Total	78	21	27	13

Note: numbers above may not equal number of candidates as multiple actions may have been taken, or no response may have been provided.

Other compliance matters

Several other compliance activities were conducted throughout the 2018-19 financial year based on referrals received from other integrity agencies or from members of the public. These referrals significantly enhance the ECQ's ability to complete its compliance responsibilities and assisted the ECQ in a number of cases including:

- ▶ two instances where a third party was identified as being an associated entity of a registered political party and not complying with their disclosure obligations
- ▶ an instance where a 2016 local government group failed to comply with their requirements to disclose the terms of a loan received during the campaign
- ▶ four instances where candidates or groups of candidates failed to comply with their disclosure requirements under the *Local Government Electoral Act 2011* in relation to gifts received, and
- ▶ an instance where a complaint was made to the ECQ regarding a potential gift from a prohibited donor to a registered political party, which resulted in the identification and recovery of an unlawful gift.

Each of these matters involved significant follow-up work by the ECQ to investigate the facts of the matter and whether any offences were committed, the nature of those offences (if any) and the penalties which should apply.

Case Study

The ECQ was referred a complaint that alleged a candidate for a local government election failed to properly disclose gifts received as required under the *Local Government Electoral Act 2011*.

Using the information provided by the complainant, the ECQ made preliminary enquiries with the candidate and sought clarification about how their campaign was managed. Simultaneously, the ECQ's authorised officers exercised their powers under the *Electoral Act 1992* to obtain information from financial institutions to independently verify the details and identify if any other offences had been committed. A financial analysis of the candidate's numerous bank accounts resulted in the identification of a number of transactions which may have been undisclosed gifts and a potential breach of the *Local Government Electoral Act 2011*.

Authorised officers interviewed the candidate, inviting them to respond to the findings of the financial analysis and provide any additional information which may assist in understanding the nature of the suspect transactions. The candidate was further provided the opportunity to take questions on notice and respond in writing.

Upon receipt of the candidate's responses, the authorised officers conducted an analysis of the evidence available and determined that ultimately, an offence against s195(1) of the *Local Government Electoral Act 2011* had been committed. The candidate and a third party subsequently received a Penalty Infringement Notice for their failure to comply with their obligations under s195(1) of the Act.

Election funding

Policy development payments

The ECQ is responsible for the distribution of policy development payments to political parties. The total pool of policy development payment funding is \$3 million per financial year, as prescribed by section 8 of the *Electoral Regulation 2013*.

During the 2018-19 financial year, policy development payments were paid for the 2017-18 financial year to eligible registered political parties in two equal instalments, on 6 July 2018 and 11 January 2019, as detailed in the table below.

The amounts paid to each eligible registered political party, as detailed below, were calculated using the formal first preference vote counts at the 2017 State general election, in accordance with section 240 of the *Electoral Act 1992*.

Future priorities for 2019-20

During 2019-20, the ECQ will continue to perform its responsibilities for the regulation of political funding and disclosure requirements including:

- ▶ engaging with political parties and candidates regarding compliance with obligations for the 2020 local government quadrennial elections
- ▶ preparing a new suite of fact sheets and guides for electoral participants to promote transparency around political donations and expenditure in accordance with proposed legislative amendments
- ▶ deliver further enhancements to the operation of the Electronic Disclosure System to maximise disclosure of information for the 2020 elections, in accordance with proposed legislative amendments and aligning with development of the new Election Management System, and
- ▶ continuing maintenance of the register of political parties and administration of election funding.

Table 4 - Policy Development Payments paid in 2018-19 for the 2017-18 financial year

Eligible registered political party	First payment amount (6 July 2019)	Second payment amount (11 January 2019)	Total amount paid
Australian Labor Party (State of Queensland)	\$564,860.91	\$564,860.91	\$1,129,721.82
Liberal National Party of Queensland	\$537,221.41	\$537,221.41	\$1,074,442.82
Pauline Hanson's One Nation Queensland Division	\$218,889.87	\$218,889.87	\$437,779.74
Queensland Greens	\$142,105.37	\$142,105.37	\$284,210.74
Katter's Australian Party	\$36,922.44	\$36,922.44	\$73,844.88
Total amounts	\$1,500,000	\$1,500,000	\$3,000,000

Local Government Change Commission

Overview

The Local Government Change Commission (Change Commission) is an independent body established under the *Local Government Act 2009* to review local government boundaries and electoral arrangements. It consists of the Electoral Commissioner of Queensland or any combination of the following persons nominated by the Electoral Commissioner: the Deputy Electoral Commissioner; or casual commissioner/s appointed by the Governor in Council.

The Change Commission is supported by a secretariat and a number of spatial experts within the ECQ.

As per section 25 of the *Local Government Act 2009*, the Change Commission must prepare a report about its operations during each financial year. The following sections constitute that report.

ECQ Strategic Plan Objective

- ▶ Objective 2, Queensland has equitable representation across electoral boundaries.

Highlights

In 2018-19 the Change Commission:

- ▶ finalised an external boundary review between Toowoomba and South Burnett Regional Council
- ▶ commenced divisional boundary reviews of 16 councils in Queensland, and
- ▶ commenced reviewing the proposed change to multi-member divisions for Ipswich City Council.

Change Commission review process

Under the provisions of the *Local Government Act 2009* and the *City of Brisbane Act 2010*, the Change Commission assesses whether proposed changes to Queensland's local governments are in the public interest. Its assessments include:

- ▶ divisional boundary reviews – periodically reviewing the internal boundaries of divided councils to ensure each division or ward has relatively the same number of electors

- ▶ external boundary reviews - assessing proposed changes to the common or shared boundaries between councils, or
- ▶ electoral arrangement reviews – reviewing proposed changes such as whether a council is divided or undivided, the number of councillors, the council name or the council's classification (i.e. shire or city).

The Minister responsible for Local Government (the Minister) is the only person who can refer a proposed change to the Change Commission, except in the case of the Brisbane City Council which may be referred by the Minister, the ECQ or the council itself.

The Change Commission has a legislative obligation to conduct divisional boundary reviews in the year before the local government quadrennial elections. As there is no legislated date for external boundary or electoral arrangement reviews to be referred to, or considered by, the Change Commission, the timing of these assessments is subject to a range of factors such as their complexity and public consultation requirements.

The Change Commission has determined that external boundary and electoral arrangement reviews should be conducted in the two-year period after a local government quadrennial election, as divisional boundaries must be prioritised in the lead-up to these elections. Should an external boundary or electoral arrangement change be proposed in the year before the quadrennial election, an assessment will only be conducted if time permits.

The Change Commission assesses proposals in any way it deems appropriate, unless the Minister provides specific directions. Reviews can consider a range of factors such as:

- ▶ voter enrolment numbers
- ▶ community interests, and
- ▶ geographical features that make easy-to identify boundaries.

Change Commission reviews generally also involve community consultation through written submissions. The results of a Change Commission review must be provided to the Minister. A notice of results is published in a local newspaper, the Queensland Government Gazette and on the ECQ website. Completed reviews, which are not subject to appeal, and the associated reports and maps are also made available on the ECQ's website.

A local government change can only be implemented by the Governor in Council under a regulation. The ECQ also provides spatial and enrolment data to the Australian Electoral Commission to update the electoral roll prior to the local government quadrennial elections.

2018-19 reviews

In 2018-19, the Change Commission received 21 referrals for divisional boundary, external boundary and electoral arrangement reviews.

The Minister did not provide any directions for how the divisional boundary reviews are to be conducted, however he did provide advice regarding planned development and growth areas in some of the councils, noting they should be factored into the Change Commission's enrolment deliberations.

The Minister did provide directions to the Change Commission on how to undertake a review of the proposed external boundary change between Rockhampton Regional Council and Livingstone Shire Council including:

- ▶ consulting with the affected community and the two local governments on levels of support for the proposed change, the financial sustainability of the two local governments and potential name changes, and
- ▶ providing advice to the Minister on the boundaries of the two local government areas and, if boundaries were to change, the timing for implementation and how electoral arrangements may need to be changed.

In 2018-19, the Change Commission has been constituted with Mr Pat Vidgen, Electoral Commissioner of Queensland, and the following casual commissioners:

- ▶ Mr Wade Lewis, Assistant Electoral Commissioner of Queensland
- ▶ Ms Jennifer Lang, Deputy Director-General, Department of Justice and Attorney-General, and
- ▶ Mr Peter McGraw, Manager Elections Operations, Electoral Commission of Queensland.

Due to the legislative requirement to conduct divisional boundary reviews in the year before the local government quadrennial elections, the Change Commission prioritised conducting the divisional boundary reviews, to uphold the principle of 'one vote, one value' for the upcoming local government elections.

The changes proposed for the external boundary and electoral arrangement reviews are significant and require a comprehensive assessment by the Change Commission. The Change Commission determined it had the capacity to undertake electoral arrangement reviews for Ipswich City Council and, that it would endeavour to undertake the review for Cloncurry Shire Council prior to the 2020 local government quadrennial elections, with remaining external boundary and electoral arrangement reviews to be completed after the 2020 elections. The Minister and the councils have been notified of this decision.

During 2018-19, the Change Commission significantly advanced the divisional reviews, seeking public submissions to inform its deliberations. Calls for submissions are promoted through local newspapers as well as the ECQ website and social media channels.



Table 5 - Status of the Change Commission's reviews as at 30 June 2019

Local Government Area	Date referred to Change Commission	Number of public suggestions received	Change Commission proposal published	Number of public comments on proposal ⁽¹⁾
Divisional boundary reviews				
Brisbane City Council	20 March 2019 ⁽²⁾	46 ⁽³⁾		
Cassowary Coast Regional Council	26 March 2019	8	21 June 2019	1
Fraser Coast Regional Council	3 April 2019	2	21 June 2019	7
Gold Coast City Council	9 April 2019	51	27 June 2019	30
Gympie Regional Council	15 February 2019	3		
Isaac Regional Council	3 April 2019	2	21 June 2019	1
Logan City Council	26 March 2019	10		
Moreton Bay Regional Council	1 March 2019	12		
Redland City Council	17 April 2019	17		
Rockhampton Regional Council	26 March 2019	5		
Scenic Rim Regional Council	26 March 2019	7	21 June 2019	4
South Burnett Regional Council	26 March 2019	1	21 June 2019	1
Sunshine Coast Regional Council	26 March 2019	8		
Tablelands Regional Council	28 March 2019	2		
Townsville City Council	17 April 2019	2		
Whitsunday Regional Council	2 April 2019	8		
Divisional boundary and electoral arrangement review				
Ipswich City Council	7 May 2019			

(1) Some public consultation periods extend into the 2019-20 financial year

(2) Referred by the ECQ under section 20 of the City of Brisbane Act 2010

(3) The Change Commission requested public suggestions, of which 17 were made, and then allowed comments on these suggestions, of which 29 were made.

Local Government Area	Date referred to Change Commission	Number of public suggestions received	Change Commission proposal published	Number of public comments on proposal ⁽¹⁾
External boundary and electoral arrangement reviews				
Cloncurry Shire Council	4 June 2019			
Cook Shire Council	30 May 2019			
Rockhampton Regional Council and Livingstone Shire Council	31 January 2019			
Toowoomba Regional Council and South Burnett Regional Council	17 August 2018		14 December 2018 ⁽⁴⁾	

(4) Only one landholder was impacted by the review. As both councils were in agreement and the landholder supported the change, the proposal was actioned without public consultation.

Future priorities for 2019–20

During 2019–20, the Change Commission will continue to undertake boundary and electoral arrangements reviews including:

- ▶ completing divisional boundary reviews for the 16 councils referred for review prior to the 2020 local government quadrennial elections
- ▶ completing the electoral arrangement review for the Ipswich City Council prior to the 2020 local government quadrennial elections, and
- ▶ undertaking remaining external boundary and electoral arrangement reviews.

Organisational Governance

Management structure

Electoral Commissioner of Queensland

The Electoral Commissioner is Queensland's senior electoral officer with powers and responsibilities conferred by the *Electoral Act 1992*, the *Local Government Electoral Act 2011*, the *Referendums Act 1997*, the *City of Brisbane Act 2010* and the *Local Government Act 2009*. The Commissioner is responsible for upholding and ensuring the integrity and transparency of Queensland's elections and for ensuring Queenslanders have equal representation through the Queensland Redistribution Commission and the Local Government Change Commission. The Electoral Commissioner is the chief executive officer of the ECQ and the accountable officer under the *Financial Accountability Act 2009*.

Mr Pat Vidgen PSM FGA was appointed as the Electoral Commissioner of Queensland on 7 September 2018.

Pat brings to the role a wealth of senior public sector management experience spanning three decades. He has worked in diverse management roles in Queensland government departments and statutory bodies. His career has seen him operate as Deputy Director-General and Chief Operating Officer in the Department of the Premier and Cabinet, Deputy Chief Executive Officer in the Public Safety Business Agency and as a General Manager in the Gold Coast 2018 Commonwealth Games Corporation.

In 2016, Pat was recognised in the Australian Honours System with a Public Service Medal for outstanding service to the Queensland Government and to public sector governance. Pat studied Public Administration at the Queensland University of Technology and is a Fellow of the Governance Institute of Australia.

Assistant Electoral Commissioner

The Assistant Electoral Commissioner supports the Electoral Commissioner with the day-to-day running of the ECQ and has direct oversight of the planning and delivery of elections and regulating political funding and disclosure. In the absence of the Electoral Commissioner the Assistant Electoral Commissioner will act in that role.

Governance committees

The Senior Management Team is a consultative body enabling the Electoral Commissioner to make informed decisions through:

- ▶ supporting the ECQ's corporate vision and strategic direction
- ▶ building organisational capability
- ▶ ensuring the ECQ supports the achievement of the Queensland Government's objectives for the community, and
- ▶ being responsible for general governance duties including risk management.

The Senior Management Team comprises:

- ▶ Electoral Commissioner (chair)
- ▶ Assistant Electoral Commissioner (deputy chair)
- ▶ Executive Director, Election Event Management
- ▶ Executive Director, Digital Technologies
- ▶ Director, Funding, Disclosure and Compliance
- ▶ Director, Strategy, Policy and Governance
- ▶ Director, Corporate Services
- ▶ Director, Change and Wellbeing, and
- ▶ Chief Financial Officer.

The Senior Management Team generally meets on a weekly basis and held 46 meetings during 2018-19.

The **Audit and Risk Committee** provides independent advice and support and recommendations for improvements to the ECQ's operations to the Electoral Commissioner. The committee has oversight of risk, control, and the compliance frameworks and fiscal responsibilities underpinning the ECQ's corporate governance arrangements.

The committee has two external independent members and meets on a quarterly basis, as detailed in table. A representative of the Queensland Audit Office also has a standing invitation to attend meetings of the Committee along with the ECQ's Head of Internal Audit, Chief Risk Officer and Chief Financial Officer.

In addition, the following committees operated during 2018-19 to support the performance of the ECQ's functions:

- ▶ **Elections Planning Committee** – the committee was established as the decision-making responsible for approving and resolving election planning-related matters and overseeing progress of planning for electoral events across the ECQ. In 2018-19, the committee met 11 times.
- ▶ **Change and Information Technology Committee** – the committee was established to provide change management assurance and operational governance of the ECQ's ICT investment strategy. In 2018-19, the committee met six times.

During 2019-20, the ECQ will implement revised governance arrangements to oversee preparation, planning and delivery of electoral events and ICT and change management, reflecting changes arising from the ECQ's organisational review, election project planning processes and the operational requirements of delivery of two major electoral events in 2020.

Table 6 - Audit and Risk Committee meeting attendance in 2018–19

Member	Term	Meetings Attended	Remuneration for meeting attendance*
Mr Graham Carpenter (Chair)	12 months	Four out of four	\$4,675
Mrs Debra-Lee Best (External Member)	12 months	Four out of four	\$2,863
Pat Vidgen (Electoral Commissioner)	12 months	Four out of four	Not applicable
Wade Lewis (Assistant Electoral Commissioner)	12 months	Four out of four	Not applicable

*All amounts exclude GST and do not include reimbursement of out-of-pocket expenses.

Human Resources

Our people

As at 30 June 2019, the ECQ had 66.4 full-time equivalent employees primarily located within the Brisbane CBD (1 Eagle Street and 200 Mary Street) with one employee working full-time at the ECQ's warehouse facility at Coopers Plains. During election cycles, the ECQ also facilitates the engagement of up to 11,000 temporary election staff to support the conduct and delivery of elections and by-elections across Queensland.

QUICK STATS:

- ▶ The average ECQ staff member is 42.56 years old.
- ▶ The average ECQ staff member has worked 8 years at the ECQ.
- ▶ 43 percent of the staff at the SO/SES level are women.
- ▶ In 2018-19, the ECQ experienced a permanent separation rate of 4.44%.

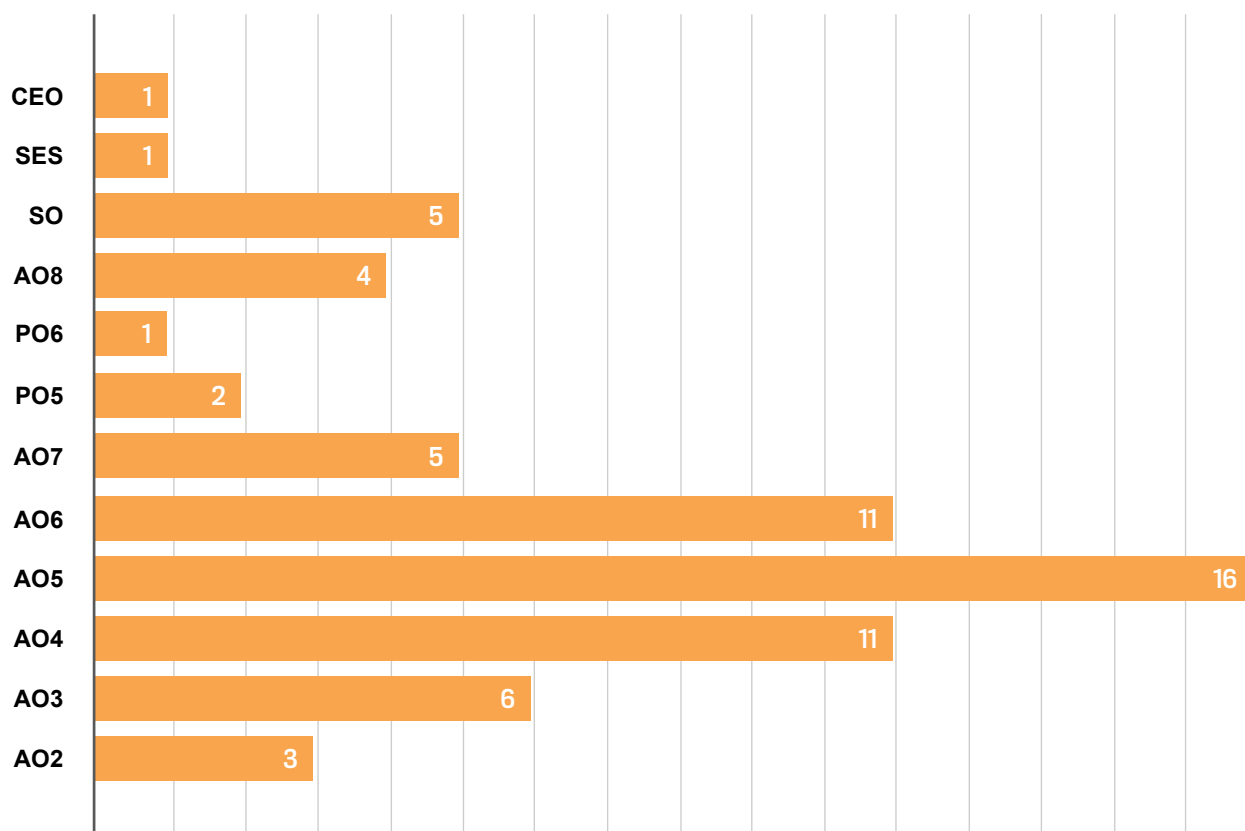
Strategic workforce planning

During 2018-19, the ECQ has continued to ensure it is developing an engaged and capable workforce that meets its service delivery needs now and in the future through several strategies including promoting work-life balance, an open and consultative workforce and leadership development.

Aligning with the Strategic Plan, the ECQ has focused on developing strategies and plans that will continue to drive our journey to building a contemporary and professional workforce. This has included work on redesigning end-to-end business processes including digitisation, partnering with relevant stakeholders in other electoral jurisdictions and across the Queensland Government as well as realising business efficiencies through improved technology including cyber security and workforce design.

During 2018-19, further workforce planning will be undertaken at all levels within ECQ from determining immediate workforce requirements for the next 12 months to identifying capability requirements for the next three to five years.

Figure 3 - Full-time equivalent employees by classification



Performance management

The ECQ is committed to fostering a workforce culture in which performance and recognition is not only valued and encouraged but drives continuous development and improvement.

An important part of this has been the ongoing relationships and development opportunities with other electoral commissions to assist with the conduct of electoral events. These secondments continue to provide development opportunities for ECQ staff and allow sharing of ideas while enhancing the ECQ's understanding of what constitutes best practice across Australia in delivering major electoral events.

ECQ Graduate

The ECQ continues to support the Queensland Government's Policy Futures Graduate program, which provides graduates with policy development experience in different public sector organisations and facilitating a well-rounded experience of public administration in the Queensland Public Service. The program is aimed at building policy capacity across the Queensland Public Service and providing participants with a unique opportunity to work across a range of diverse and complex policy environments.

In 2018-19, the ECQ placed its second ever Policy Futures graduate to provide support to the Prohibited Donors Scheme project implementation team. Taking on a graduate from the program allowed the ECQ to further expand its policy capabilities while providing experience to a graduate entering the Queensland Government workforce. As part of this process, the ECQ had to demonstrate it could offer adequate development opportunities and had the organisational maturity to contribute to the career development of an early career policy professional.

Since placement through the Policy Futures Program, the staff member gained ongoing employment with the ECQ, strengthening policy capability within the ECQ and providing further career opportunities as a direct result of the program.

Staff health and wellbeing

The ECQ supports employee health and well-being by actively pursuing a positive culture and a working environment that advocates zero harm to all employees. The ECQ recognises the importance of flexible work arrangements and the different type of flexible work options available to staff, which 89 per cent took advantage of, including:

- ▶ flexi-time
- ▶ part-time employment

- ▶ phased retirement
- ▶ telecommuting, and
- ▶ family, culture and accrued leave arrangements.

These options as well as a range of health and well-being services are well promoted through established staff communication channels including:

- ▶ free annual influenza vaccinations to all employees
- ▶ compulsory domestic and family violence training to promote a respectful workplace culture and provide support to those who lives are affected by domestic and family violence, and
- ▶ access to an employee assistance program for free, short-term professional counselling and support services for employees and immediate family members.

The ECQ will also be introducing a series of personal resilience training sessions for staff to help build awareness around how they can help balance the pressures of day-to-day work and life outside of work, as well as learn strategies to adapt to and prepare for future challenges in a healthy way.

Workplace health and safety practices within the ECQ are monitored and reviewed by the Workplace Health and Safety Committee. This committee acts as a forum for health and safety advice and discussion and a consultation avenue between ECQ staff and the Senior Management Team.

The Workplace Health and Safety Committee held three meetings in 2018-19. Initiatives being implemented include:

- ▶ establishing an inspection roster involving all ECQ staff to reinforce that workplace health and safety is everyone's responsibility
- ▶ identifying the role of health and safety advisor for elections to provide advice to Returning Officers and polling booth staff throughout early voting periods and on election day and to inspect polling booths
- ▶ ensuring workplace health and safety components are integrated in the new Election Management System
- ▶ undertaking minor repairs and improvements within the ECQ workplace, and
- ▶ identifying workplace health and safety requirements of the 200 Mary Street office including training of first aid officers.

Ethics

The ECQ is committed to ensuring staff have the tools, framework and information they require to act ethically and are accountable for their actions and decisions. The ECQ continues to support the principles identified under the *Public Sector Ethics Act 1994* by:

- ▶ providing code of conduct training as part of the induction of all new employees
- ▶ releasing staff bulletins and online training courses
- ▶ providing compulsory annual training for all staff including domestic violence awareness and code of conduct training
- ▶ providing training in people management and complaints management
- ▶ ensuring all staff have performance and development agreements in place that set out key performance indicators and behavioural expectations in line with the code of conduct, and
- ▶ providing annual compulsory face-to-face training on public sector ethics conducted by the Office of the Queensland Ombudsman.

The ECQ continues to build and refine its integrity framework to guide employees and managers in their day-to-day duties. In 2018-19, the ECQ updated or created new policies in areas such as managing conflicts of interest, fraud and corruption control and prevention, political neutrality and accepting gifts and benefits.

Learning and development activities and frameworks

Building on the MyCareer system introduced in 2017-18, the ECQ is using multiple learning and development formats to engage and foster growth in its human capital. This includes mandatory training but also important skills and knowledge development through the ECQ's participation in training initiatives provided by the Public Service Commission, Queensland Ombudsman and TAFE Queensland. The ECQ has also successfully introduced lunchbox sessions on different topics including wellness and statutory interpretation. An important part of this process is managers discussing personal development opportunities with employees through their performance and development agreements.

A key focus for 2018-19 and in future years will be developing project management skills and familiarity with associated methodologies for all staff. The ECQ will continue to offer opportunities for staff to utilise the Study and Research Assistance Scheme, which provides financial and leave assistance to complete further education.

Industrial and employee relations framework

The ECQ ensures its industrial and employee relations policies, practices and processes appropriately support the Queensland Government's employment security and union engagement policies. The ECQ's Agency Consultative Committee provides a channel of communication with the union to engage on industrial issues impacting, or which may impact, the workforce. During 2018-19, the committee met on four occasions which has further strengthened union engagement and enhanced the working relationship between the ECQ's senior management and the union.

In addition, the ECQ has continued to foster an open and consultative workforce through its series of leadership forums. These have provided opportunity for managers to discuss important issues and work as a collective with the Senior Management Team to improve ECQ's operating environment.

During the 2018-19 period, two employees received redundancy packages at a cost of \$238,083.

Risk management and accountability

Risks

The ECQ's Strategic Plan identifies a number of strategic risks detailed below.

- ▶ Key stakeholders not understanding the new prohibited donor legislation may result in an extensive phase in period during which the ECQ must expend substantial resources to ensure all involved understand and meet their obligations.
- ▶ Meeting continually increasing stakeholder expectations for new, complex ICT systems in the delivery and support of elections may lead to increased cost, complexity and risk.

During 2018-19, the ECQ's Chief Risk Officer revised the ECQ's Risk Management Framework, which aims to ensure risk management is integrated across all the ECQ's business activities, including strategic planning, business planning, staff responsibilities, electoral event planning and other decision-making processes. The ECQ also maintains a strategic risk register which identifies key risks and internal controls to counter their impact.

The Risk Management Framework requires senior and executive management to lead risk management across the ECQ and promote a culture of risk awareness to allow staff to identify and address risks at an appropriate level. The framework supports the requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009* and is consistent with the principles set out in *AS/NZS ISO 31000:2009 Risk management – Principles and Guidelines*.

Internal audit

The ECQ's internal audit function operates in accordance with requirements of the *Financial Accountability Act 2009* and *Financial and Performance Management Standard 2009*, providing independent, objective and risk-based assurance advice to the Electoral Commissioner regarding the efficacy of the ECQ's governance, risk management and control processes. This includes identification of areas for potential improvement and recommendations for change. Audit reports are forwarded to the Electoral Commissioner in accordance with the *International Standards for the Professional Practices of Internal Auditing* as set by the Institute of Internal Auditors.

The ECQ employs a Head of Internal Audit who is responsible for developing an annual and strategic three-year audit program for approval by the Audit and Risk Committee. In 2018-19, nine internal audits were finalised which provided an independent assessment on financial, operational, governance, compliance, and risk management audit objectives.

Information systems and recordkeeping

In 2018-19, ECQ undertook a major technology refresh of its office environment and other elements of its ICT capabilities.

A new laptop fleet was rolled out based on the latest version of Microsoft Windows 10 operating system. This rollout included in the introduction biometric technologies for staff logons. The on-premises Microsoft Office solution was migrated to a cloud delivered Microsoft Office365 platform, which is based on a per person subscription model and includes access to contemporary collaboration tools such as SharePoint Online and OneDrive.

The ECQ has implemented technical improvements to its network to reduce the risk of unauthorised network access. Migration to a new internet service provider has also increased the level of protection when accessing the internet.

In 2018-19, the ECQ developed and released the *ECQ Cyber Security Strategy for 2019-2022* to improve the ECQ's overall cyber security posture and reduce the risk of interference in the electoral process. The ECQ will adopt the Queensland Government Information Security principles and policies (*Information Standard IS18:2018 (ISO 27001)*). The ECQ continues to work closely with the Australian and other state electoral commissions regarding cyber security matters.

The ECQ utilises both the RecFind and JIRA systems to manage records in accordance with relevant retention and disposal schedules and legislative requirements. The new Election Management System will also hold many of the records the ECQ creates in the course of carrying out its core functions. These systems will be continually reviewed and improved as the systems are updated and adapted during 2019-20.

Intergovernmental engagement

Electoral Council of Australia and New Zealand (ECANZ)

ECANZ is a forum for electoral commission chief executives to meet and discuss all aspects of electoral administration, encourage mutual cooperation, and consider contemporary electoral challenges aimed at improving access and equality for all eligible electors. Electoral commissions across Australia and New Zealand face numerous shared challenges and ECANZ provides an opportunity to share information, collaborate, promote best practice and undertake research to find solutions.

The ECQ is represented on a number of ECANZ working groups to allow officer-level engagement across electoral commissions:

- ▶ Deputy Commissioner sub group
- ▶ Internet Voting Working Group
- ▶ Temporary Election Staff Working Group
- ▶ Indigenous Participation Working Group, and
- ▶ National Enrolment Forum.

During 2018-19, the Electoral Commissioner of Queensland attended all four ECANZ meetings of electoral commissioners.

Compliance Network

The Compliance Network is an interjurisdictional group that aims to establish links across electoral commissions in Australia and New Zealand, with the objective of sharing strategic intelligence and improving evidence-based regulation of electoral law. Its initial focus is on funding and disclosure matters but may evolve to examine other regulatory issues facing electoral commissions.

The network started as a proposal by the Electoral Commissioner of Queensland at the 22 November 2018 ECANZ meeting in Wellington, and was supported by other commissioners present. The Compliance Network held its inaugural meeting via teleconference on 3 May 2019 with membership consisting of senior officers from electoral commissions all Australian jurisdictions and New Zealand. The ECQ provides secretariat support to the Compliance Network.

Interjurisdictional Working Group on Electoral Integrity and Security

At its 12 December 2018 meeting, the Council of Australian Governments (COAG) agreed:

... to establish and support a Commonwealth-State working group of electoral commissions, electoral policy leads, the National Counter Foreign Interference Coordinator, and the National Cyber Security Advisor to strengthen the security of Australia's electoral systems, data and processes, including the electoral rolls managed and maintained by electoral commissions throughout Australia.

The Interjurisdictional Working Group on Electoral Integrity and Security was established as a mechanism for government agencies to work together to consider these issues and provide reports to COAG. The Assistant Commissioner represents the ECQ on the working group, which brings together electoral commissions and other relevant government agencies from all Australian jurisdictions to strengthen electoral systems, data and processes.

Complaints management

During 2018-19, the ECQ received 65 complaints, which is a significant decline on the previous financial year where 549 complaints were received. The decline in complaints is attributable to the fact that no major electoral events occurred during the 2018-19 financial year, whereas the State general election was held during 2017-18.

Of the 65 complaints:

- ▶ 44 required no further action, including 25 which were determined to be outside the ECQ's authority or control, and
- ▶ 21 resulted in further action by the ECQ.

The major categories of complaint to the ECQ include:

- ▶ action taken with respect to non-voters
- ▶ political party/candidate advertising
- ▶ by-elections, and
- ▶ referrals from other agencies.

The ECQ adopted an updated Complaints Management Policy on 11 October 2018. Additionally, the ECQ reviewed its policies to manage complaints of corrupt conduct. In response to recommendations from the Crime and Corruption Commission, the ECQ created a stand-alone policy for corrupt conduct complaints against the Electoral Commissioner and another for corrupt conduct complaints against other ECQ staff.

Open data

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

Performance reporting

The ECQ undertook a review of its service standards and efficiency measures reported as part of the Queensland Government budget process. As a result, the ECQ consolidated the measures reported in the 2018-19 Service Delivery Statement to focus exclusively on the conduct of local government quadrennial elections and State general elections. These measures are:

- ▶ level of informal voting
- ▶ level of stakeholder satisfaction, and
- ▶ cost of the election per elector.

As no local government quadrennial election nor State general election were held in 2018-19 no measures are reported in the 2018-19 annual report.

Financial Performance

ECQ's financial position

The ECQ's assets as at 30 June 2019 were \$23.208 million and liabilities were \$4.303 million, resulting in net positive equity of \$18.905 million. The increase in the ECQ's equity on the previous year is the result of contributions to develop the new Elections Management System.

Financial performance

The ECQ is primarily funded through appropriations from Queensland Treasury. The level of appropriations received, and correspondingly expenditure, during 2018-19 financial year was lower than the 2017-18 financial year as no major electoral events occurred during this period.

The appropriations and expenditure are expected to be significantly higher in 2019-20 due to the conduct of the 2020 local government quadrennial elections and ongoing planning and preparation for the 2020 State general election. A breakdown of revenue and expenditure by category is presented below.

REVENUE	2017-18	2018-19	2019-20
	(\$'000)	(\$'000)	(\$'000)
Appropriation revenue	54,887	21,821	70,231
User charges and fees	89	94	30
Contributions	1,356	74	-
Other revenue	-	41	-
Total Revenue	56,332	22,030	70,261
	-	3	-
Gains on disposal			
Total Income from Continuing Operations	56,332	22,033	70,261

EXPENDITURE	2017-18	2018-19	2019-20
	('000)	('000)	('000)
Employee expenses	17,790	6,949	21,634
Supplies and services	36,186	15,056	47,705
Depreciation and amortisation	892	861	1,141
Finance/borrowing costs	-	-	(314)
Other expenses	165	(969)	95
<hr/>			
Total Expenses from Continuing Operations	55,033	21,897	70,261

Financial Statements

**Electoral Commission of Queensland Financial Statements
For the Year Ended 30 June 2019**

TABLE OF CONTENTS

Financial Statements	Statement of Comprehensive Income		Page 3	
	Statement of Financial Position		Page 4	
	Statement of Changes in Equity		Page 5	
	Statement of Cash Flows (including Notes to the Statement of Cash Flows)		Pages 6 & 7	
Notes to the Financial Statements	Section 1	A1. Basis of Financial Statement Preparation	Page 8	
	About the Electoral Commission of Queensland and this Financial Report	A1-1 General Information	Page 8	
		A1-2 Compliance with Prescribed Requirements	Page 8	
		A1-3 Presentation	Page 8	
		A1-4 Authorisation of Financial Statements for Issue	Page 8	
		A1-5 Basis of Measurement	Page 9	
		A1-6 The Reporting Entity	Page 9	
		A2. ECQ's Objectives	Page 9	
	Section 2	B1. Revenue	Page 10	
	Notes about our Financial Performance	B1-1 Appropriation Revenue	Page 10	
		B1-2 Contributions	Page 10	
		B2. Expenses	Page 11	
		B2-1 Employee Expenses	Page 11-12	
		B2-2 Supplies and Services	Page 12	
		B2-3 Other Expenses	Page 13	
	Section 3	C1. Cash and Cash Equivalents	Page 14	
	Notes about our Financial Position	C2. Receivables	Page 14	
		C3. Inventories	Page 14	
		C4. Plant, Equipment and Depreciation Expense	Page 15	
		C4-1 Closing Balances and Reconciliation of Carrying Amount	Page 15	
		C4-2 Recognition and Acquisition	Page 15	
		C4-3 Measurement using Historical Cost	Page 15	
		C4-4 Depreciation Expense	Page 15-16	
		C4-5 Impairment	Page 16	
		C5. Intangibles and Amortisation Expense	Page 16	
		C5-1 Closing Balances and Reconciliation of Carrying Amount	Page 16	
		C5-2 Recognition and Measurement	Page 17	
		C5-3 Amortisation Expense	Page 17	
		C5-4 Impairment	Page 17	
		C6. Payables	Page 17	
		C7. Equity	Page 18	
			C7-1 Contributed Equity	Page 18
			C7-2 Appropriations Recognised in Equity	Page 18
	Section 4	D1. Financial Risk Disclosures	Page 19	
	Notes about Risks and Other Accounting Uncertainties	D2. Contingencies	Page 19	
		D3. Commitments	Page 19	
		D4. Future Impact of Accounting Standards Not Yet Effective	Page 20-21	

**Electoral Commission of Queensland Financial Statements
For the Year Ended 30 June 2019**

TABLE OF CONTENTS (continued)

Notes to the Financial Statements (continued)	Section 5 Notes on our Performance compared to Budget	E1. Budgetary Reporting Disclosures	Page 22
		E2. Budget to Actual Comparison – Statement of Comprehensive Income	Page 22
		E2-1 Explanation of Major Variances – Statement of Comprehensive Income	Page 22
		E3. Budget to Actual Comparison – Statement of Financial Position	Page 23
		E3-1 Explanation of Major Variances – Statement of Financial Position	Page 23
		E4. Budget to Actual Comparison – Statement of Cash Flows	Page 24
		E4-1 Explanation of Major Variances – Statement of Cash Flows	Page 24
	Section 6 What we look after on behalf of whole-of-Government and third parties	F1. Administered Items	Page 25
		F1-1 Schedule of Administered Income and Expenditure	Page 25
		F1-2 Schedule of Administered Assets and Liabilities	Page 25
		F1-3 Administered Activities - Budget to Actual Comparison and Variance Analysis	Page 26
	Section 7 Other Information	G1. Key Management Personnel (KMP) Disclosures	Page 27-29
		G2. Related Party Transactions	Page 30
		G3. First Year Application of New Accounting Standards or Change in Accounting Policy	Page 30
		G4. Taxation	Page 30
Certification		Management Certificate	Page 31

Electoral Commission of Queensland Statement of Comprehensive Income

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
OPERATING RESULT			
Income from Continuing Operations			
Appropriation revenue	B1-1	21,821	54,887
User charges and fees		94	89
Contributions	B1-2	74	1,356
Other revenue		41	-
Total Revenue		22,030	56,332
Gains on disposal		3	-
Total Income from Continuing Operations		22,033	56,332
Expenses from Continuing Operations			
Employee expenses	B2-1	6,949	17,790
Supplies and services	B2-2	15,056	36,186
Depreciation and amortisation		861	892
Other expenses	B2-3	(969)	165
Total Expenses from Continuing Operations		21,897	55,033
Operating Result for the Year		136	1,299
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME		136	1,299

The accompanying notes form part of these statements.

**Electoral Commission of Queensland
Statement of Financial Position**

as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current Assets			
Cash and cash equivalents	C1	9,003	9,920
Receivables	C2	2,090	170
Inventories	C3	659	460
Other current assets		365	396
Total Current Assets		12,117	10,946
Non-Current Assets			
Plant and equipment	C4-1	1,268	1,721
Intangible assets	C5-1	9,823	6,026
Total Non-Current Assets		11,091	7,747
Total Assets		23,208	18,693
Current Liabilities			
Payables	C6	3,993	3,644
Accrued employee benefits		310	449
Total Current Liabilities		4,303	4,093
Total Liabilities		4,303	4,093
Net Assets		18,905	14,600
Equity			
Contributed equity	C7-1	14,015	9,847
Accumulated surplus		4,890	4,753
Total Equity		18,905	14,600

The accompanying notes form part of these statements.

Electoral Commission of Queensland Statement of Changes in Equity

for the year ended 30 June 2019

	Contributed Equity \$'000	Accumulated Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2017	6,880	3,454	10,334
Operating Result			
Operating Result for the Year	-	1,299	1,299
Transactions with Owners as Owners:			
- Appropriated equity injections (Note C7-2)	3,043	-	3,043
- Appropriated equity withdrawals (Note C7-2)	(76)	-	(76)
Balance as at 30 June 2018	9,847	4,753	14,600
Balance as at 1 July 2018	9,847	4,753	14,600
Operating Result			
Operating Result for the Year	-	136	136
Transactions with Owners as Owners:			
- Appropriated equity injections (Note C7-2)	4,244	-	4,244
- Appropriated equity withdrawals (Note C7-2)	(76)	-	(76)
Balance as at 30 June 2019	14,015	4,890	18,905

The accompanying notes form part of these statements.

Electoral Commission of Queensland Statement of Cash Flows

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
Service appropriation receipts		21,821	54,887
User charges and fees		22	81
GST input tax credits from ATO		1,428	2,573
GST collected from customers		-	1
Other		41	-
<i>Outflows:</i>			
Employee expenses		(7,275)	(17,707)
Supplies and services		(13,608)	(34,771)
GST paid to suppliers		(1,643)	(2,343)
GST remitted to ATO		-	(1)
Other		(74)	(56)
Net cash provided by operating activities	CF-1	712	2,664
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Inflows:</i>			
Sales of plant and equipment		3	7
<i>Outflows:</i>			
Payments for plant and equipment		-	(484)
Payments for intangibles		(4,205)	(3,093)
Net cash used in investing activities		(4,202)	(3,570)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Inflows:</i>			
Equity injections		2,649	3,043
<i>Outflows:</i>			
Equity withdrawals		(76)	(76)
Net cash provided by financing activities		2,573	2,967
Net increase (decrease) in cash and cash equivalents		(917)	2,061
Cash and Cash Equivalents - opening balance		9,920	7,859
Cash and Cash Equivalents - closing balance	C1	9,003	9,920

The accompanying notes form part of these statements.

Electoral Commission of Queensland Statement of Cash Flows

for the year ended 30 June 2019

NOTES TO THE STATEMENT OF CASH FLOWS

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

	2019 \$'000	2018 \$'000
Operating Surplus/(deficit)	136	1,299
<i>Non-Cash items included in operating result:</i>		
Depreciation and amortisation expense	861	892
Net losses on disposal of plant and equipment	-	121
Net gains on disposal of plant and equipment	(3)	-
Donated assets received	-	(1,310)
<i>Change in assets and liabilities:</i>		
(Decrease)/increase in deferred appropriation payable to Consolidated Fund	(1,205)	(250)
(Increase)/decrease in trade receivables	(36)	(44)
(Increase)/decrease in GST input tax credits receivable	(215)	229
(Increase)/decrease in LSL reimbursement receivables	(21)	24
(Increase)/decrease in annual leave reimbursement receivables	(52)	6
(Increase)/decrease in inventories	(199)	562
(Increase)/decrease in prepayments/other	31	2,021
Increase/(decrease) in accounts payable	1,555	(1,063)
Increase/(decrease) in accrued employee benefits	(140)	177
Net Cash Provided by Operating Activities	712	2,664

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

SECTION 1 ABOUT THE ELECTORAL COMMISSION OF QUEENSLAND AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

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

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

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

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The ECQ has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the reporting periods beginning on or after 1 July 2018.

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

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

A1-3 PRESENTATION

Currency and Rounding

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

Comparatives

Comparative information reflects the audited 2017-18 financial statements.

Current/Non-Current Classification

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

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

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

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT

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

Historical Cost

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

Net Realisable Value

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

A1-6 THE REPORTING ENTITY

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

A2 ECQ's OBJECTIVES

The primary objective of the ECQ is to promote awareness of and participation in electoral matters to deliver fair elections and to drive improvements to election services and to ensure equitable representation across Queensland electoral boundaries.

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

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

SECTION 2 NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 Appropriation Revenue

	2019 \$'000	2018 \$'000
Reconciliation of Payments from Consolidated Fund to Appropriated Revenue Recognised in Operating Result		
Budgeted appropriation revenue	48,003	55,247
Lapsed appropriation revenue	(26,182)	(360)
Total Appropriation Receipts (cash)	21,821	54,887
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	3,118	3,368
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(1,913)	(3,118)
Net Appropriation Revenue	23,026	55,137
Plus: Deferred appropriation payable to Consolidated Fund (expense)	(1,205)	(250)
Appropriation Revenue recognised in Statement of Comprehensive Income	21,821	54,887

Accounting Policy – Appropriation Revenue

Appropriations provided under the *Appropriation Act 2018* are recognised as revenue when received.

B1-2 Contributions

	2019 \$'000	2018 \$'000
Services received at below fair value	74	46
Donations of assets	-	1,310
Total	74	1,356

Accounting Policy – Donations of Assets

Contributed assets are recognised at their fair value.

Accounting Policy – Services received below fair value

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

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

Disclosure – Donations of Assets

In 2017-18, the ECQ capitalised fit-out works performed by the Department of Housing and Public Works free of charge for the new ECQ's office at Level 20, 1 Eagle Street Brisbane valued at \$1.310 million.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

B2 EXPENSES

B2-1 Employee Expenses

	2019 \$'000	2018 \$'000
Employee Benefits		
Wages and salaries	5,000	5,244
Election wages, polling officials and returning officers fees and allowance	128	9,859
Annual leave levy	639	501
Employer superannuation contributions	720	1,844
Long service leave levy	121	122
Termination benefits	163	45
Other employee benefits	22	23
Employee Related Expenses		
Workers' compensation premium	29	33
Other employee related expenses	127	119
Total	6,949	17,790

Disclosure – Employee expenses

In 2017-18, total employee expenses of \$10.567 million was incurred for the 2017 State General Election.

Disclosure – Full-time equivalent employees

	2019 No.	2018 No.
Full-Time Equivalent Employees:	66	57

The ECQ engages casual employees on an "as need basis" and during the 2018-19 financial year the number of casual employees engaged was 2 (2018: 4).

Accounting Policy - Wages and Salaries

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

Accounting Policy - Sick Leave

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

Accounting Policy - Annual Leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for the ECQ. Under this scheme, a levy is made on the ECQ 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 ECQ's financial statements as the liability is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Accounting Policy - Long Service Leave

Under the Queensland Government's long service leave scheme, a levy is made on the ECQ 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 ECQ'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*.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

B2 EXPENSES (continued)

B2-1 Employee Expenses (continued)

Accounting Policy - Superannuation

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

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

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the ECQ at the specified rate following completion of the employee's service each pay period. The ECQ's obligations are limited to those contributions paid.

Accounting Policy - Workers' Compensation Premiums

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

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

B2-2 Supplies and Services

	2019 \$'000	2018 \$'000
Computer processing costs	1,152	1,286
Consultants and contractors	4,624	2,007
Public funding to political parties and candidates	3,000	14,685
Freight and cartage	31	1,340
Advertising and promotion	27	1,154
Joint roll arrangement	2,748	2,625
Printing and postage	213	4,978
Operating lease rentals	1,389	4,369
Telephone	309	584
Other	1,563	3,158
Total	15,056	36,186

Disclosure – Supplies and services expenses

In 2017-18, the ECQ incurred supplies and services expenditure of \$12.344 million to conduct the 2017 State General Election. In addition, the ECQ paid out election funding claims of \$11.685 million in total.

Accounting Policy – Operating Lease Rentals

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

Disclosure – Operating Leases

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

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

B2 EXPENSES (continued)

B2-3 Other Expenses

	2019 \$'000	2018 \$'000
Deferred appropriation payable to Consolidated Fund *	(1,205)	(250)
Insurance - QGIF	29	19
External audit fees **	45	37
Losses from disposal of plant and equipment	-	121
Inventory written off	13	105
Services provided at below fair value	149	133
Total	(969)	165

Deferred appropriation payable to Consolidated Fund

* The deferred appropriation payable to Consolidated Fund (\$1.205 million) represents the difference between deferred appropriation recognised in 2018-19 (\$1.913 million) and in 2017-18 (\$3.118 million).

Audit Fees

** Total audit fees quoted by the Queensland Audit Office relating to the 2018-19 financial statements are \$38,500 (2018: \$36,500). There are no non-audit services included in this amount.

An additional amount of \$6,400 was paid to the Queensland Audit Office in 2018-19 to perform further audit tests relating to the 2017-18 financial statements.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

SECTION 3 NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2019 \$'000	2018 \$'000
Imprest accounts	1	1
Cash at bank	9,002	9,919
Total	9,003	9,920

Accounting Policy - 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 receipted but not banked at 30 June.

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

C2 RECEIVABLES

	2019 \$'000	2018 \$'000
Trade debtors	81	44
GST receivable	263	49
Annual leave reimbursements	128	75
Long service leave reimbursements	23	2
Other	1,595	-
Total	2,090	170

Accounting Policy - Receivables

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

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

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

Disclosure - Trade debtors

The ECQ's trade debtors at 30 June 2019 were Queensland Government or Australian Government agencies. No loss allowance was recorded for these receivables on the basis of materiality.

Disclosure - Other Receivables

The other receivables of \$1.595 million represents an equity adjustment receivable to provide funding for the SEMS replacement and other capital projects in 2018-19.

C3 INVENTORIES

	2019 \$'000	2018 \$'000
Inventories held for distribution - at cost	659	460
Total	659	460

Accounting Policy - Inventories

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

C4 PLANT, EQUIPMENT AND DEPRECIATION EXPENSE

C4-1 Closing Balances and Reconciliation of Carrying Amount

	Plant and Equipment		Work in Progress		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	3,750	3,846	-	-	3,750	3,846
Less: Accumulated depreciation	(2,482)	(2,125)	-	-	(2,482)	(2,125)
Carrying amount at 30 June	1,268	1,721	-	-	1,268	1,721
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July	1,721	460	-	-	1,721	460
Acquisitions	-	21	-	463	-	484
Disposals	-	(128)	-	-	-	(128)
Transfers between classes	-	463	-	(463)	-	-
Donated assets received	-	1,310	-	-	-	1,310
Depreciation expense	(453)	(405)	-	-	(453)	(405)
Carrying amount at 30 June	1,268	1,721	-	-	1,268	1,721

C4-2 Recognition and Acquisition

Accounting Policy – Recognition Thresholds

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

Accounting Policy – Cost of Acquisition

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

C4-3 Measurement using Historical Cost

Accounting Policy

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

C4-4 Depreciation Expense

Accounting Policy

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

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

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 ECQ.

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

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

C4 PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C4-4 Depreciation Expense (continued)

Depreciation Rates

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

Class	Useful Life
Plant and equipment:	
Computer equipment	3-8 years
Office equipment	3-8 years
Leasehold improvements	4-5 years
Other equipment	6-7 years

C4-5 Impairment

Accounting Policy

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

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

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

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

C5 INTANGIBLES AND AMORTISATION EXPENSE

C5-1 Closing Balances and Reconciliation of Carrying Amount

	Software Internally Generated: At Cost		Software: Work in Progress		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	6,174	6,173	7,209	3,004	13,383	9,177
Less: Accumulated amortisation	(3,560)	(3,151)	-	-	(3,560)	(3,151)
Carrying amount at 30 June	2,614	3,022	7,209	3,004	9,823	6,026
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July	3,022	3,420	3,004	-	6,026	3,420
Acquisitions	-	-	4,205	3,093	4,205	3,093
Transfers between classes	-	89	-	(89)	-	-
Amortisation	(408)	(487)	-	-	(408)	(487)
Carrying amount at 30 June	2,614	3,022	7,209	3,004	9,823	6,026

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

Disclosure – Strategic Elections Management System (SEMS) replacement project

The ECQ paid \$3.675 million (2018: \$3.004 million) for the SEMS replacement project. Total software work-in-progress costs for the SEMS replacement project as at 30 June 2019 is \$6.678 million.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

C5 INTANGIBLES AND AMORTISATION EXPENSE (continued)

C5-2 Recognition and Measurement

Accounting Policy

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

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

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

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

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

C5-3 Amortisation Expense

Accounting Policy

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

Amortisation Rates

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

Intangible Asset	Useful Life
Software internally generated	10-13 years

C5-4 Impairment

Accounting Policy

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

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

C6 PAYABLES

	2019 \$'000	2018 \$'000
Trade creditors	2,049	473
Refunds to candidates	-	2
Deferred appropriation payable to Consolidated Fund	1,913	3,118
Other	31	51
Total	3,993	3,644

Accounting Policy – Payables

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

C7 EQUITY

C7-1 Contributed Equity

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

- Appropriations for equity adjustments (refer [Note C7-2](#)).

C7-2 Appropriations Recognised in Equity

Reconciliation of Payments from Consolidated Fund to Equity Adjustment

	2019	2018
	\$'000	\$'000
Budgeted equity adjustment appropriation	3,265	6,269
Lapsed equity adjustment	(692)	(3,302)
Equity adjustment receipts (payments)	2,573	2,967
Plus: Closing balance of equity adjustment receivable	1,595	-
Equity adjustment recognised in Contributed Equity	4,168	2,967

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

SECTION 4 NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

D1 FINANCIAL RISK DISCLOSURES

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the ECQ becomes party to the contractual provisions of the financial instrument. The ECQ has the following categories of financial assets and financial liabilities:

- Cash and cash equivalents - [Note C1](#);
- Receivables at amortised cost - [Note C2](#);
- Payables at amortised cost - [Note C6](#).

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

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

D2 CONTINGENCIES

Litigation in Progress

At 30 June 2019, the following cases were filed in the courts naming the State of Queensland acting through the Electoral Commission of Queensland as a party to the matter:

	2019	2018
	Number of cases	Number of cases
Court of Appeal	1	1
Total	1	1

It is not possible to make a reliable estimate of the final amount payable or receivable, if any, in respect of the litigation before the courts at this time.

The ECQ has also received notification of a case that is not yet subject to court action. This case may or may not result in subsequent litigation.

Effective 1 July 2001, the ECQ joined the Queensland Government Insurance Fund (QGIF). Under the QGIF, the ECQ would be able to claim back, less a \$10,000 deduction, the amount paid to successful litigants. This includes any cases that existed as at 1 July 2001 and cases that have arisen since that date.

D3 COMMITMENTS

Non-Cancellable Operating Lease Commitments

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

	2019	2018
	\$'000	\$'000
Not later than 1 year	1,810	1,529
Later than 1 year and not later than 5 years	3,817	4,542
Total	5,627	6,071

Capital Expenditure Commitments

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

	2019	2018
	\$'000	\$'000
<i>Intangibles</i>		
Not later than 1 year	1,001	1,001
Later than 1 year and not later than 5 years	-	1,001
Total	1,001	2,002

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

D4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

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

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the ECQ when preparing the financial statements for 2019-20. The ECQ has reviewed the impact of AASB 15 and AASB 1058 and expects no change in accounting treatment for any of its source revenue, including appropriation revenue, revenue from local councils, fines, fees and forfeitures.

AASB 16 *Leases*

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

Impact for Lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117 and shown at **Note D3**) will be reported on the statement of financial position as right-of-use assets and lease liabilities.

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

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

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

Outcome of review as lessee

The ECQ has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below.

During the 2018-19 financial year, the ECQ held two operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO). Lease payments under these arrangements totalled \$1.199 million p.a. The ECQ has been advised by Queensland Treasury and DHPW that, effective 1 July 2019, amendments to the framework agreements that govern QGAO will result in the above arrangements being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation assets used within these arrangements. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

The ECQ has also been advised by Queensland Treasury and DHPW that, effective 1 July 2019, motor vehicles provided under DHPW's QFleet program will be exempt from lease accounting under AASB 16. This is due to DHPW holding substantive substitution rights for vehicles provided under the scheme. From 2019-20 onward, costs for these services will continue to be expensed as supplies and services expense when incurred. Existing QFleet leases were not previously included as part of non-cancellable operating lease commitments.

The ECQ has quantified the transitional impact on the statement of financial position and statement of comprehensive income of all qualifying lease arrangements that will be recognised on-balance sheet under AASB 16, as follows.

- Statement of financial position impact on 1 July 2019:
 - \$1.327 million increase in lease liabilities;
 - \$1.327 million increase in right-of-use assets;
 - Nil decrease in opening accumulated surplus.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

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

- Statement of comprehensive income impact expected for the 2019-20 financial year, as compared to 2018-19:
 - \$0.323 million increase in depreciation and amortisation expense;
 - \$0.020 million increase in interest expense;
 - \$0.321 million decrease in supplies and services expense;
 - This results in a net increase of \$0.022 million in total expenses.

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

SECTION 5 NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section discloses the ECQ's original published budgeted figures for 2018-19 compared to actual results, with explanations of major variances, in respect of the ECQ's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

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

	Variance Note	2019 Original Budget \$'000	2019 Actual Result \$'000	Budget Variance \$'000
Income from Continuing Operations				
Appropriation revenue	1	48,003	21,821	(26,182)
User charges and fees		30	94	64
Contributions		-	74	74
Other revenue		-	41	41
Total Revenue		48,033	22,030	(26,003)
Gains on disposal		-	3	3
Total Income from Continuing Operations		48,033	22,033	(26,000)
Expenses from Continuing Operations				
Employee expenses	2	9,001	6,949	(2,052)
Supplies and services	3	38,130	15,056	(23,074)
Depreciation and amortisation		827	861	34
Other expenses	4	75	(969)	(1,044)
Total Expenses from Continuing Operations		48,033	21,897	(26,136)
Operating Result for the Year		-	136	136
Other Comprehensive Income		-	-	-
Total Comprehensive Income		-	136	136

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

- The reduction in appropriation revenue is mainly driven from funding deferrals for the SEMS replacement project and lower preparation and planning activities for the Local Government quadrennial elections scheduled on the 28 March 2020. The decrease in appropriation revenue can also be reflected against lower expenditure level.
- The reduction in employee expenses was due to a lower number of temporary election staff engaged as a result of a lower number of by-elections conducted in 2018-19.
- The decrease in expenditure against supplies and services is mainly due to timing adjustments of targeted SEMS replacement project milestones.
- The variance is mainly due to the difference between end-of-year deferred appropriation payable to Consolidated Fund made in 2018-19 (\$1.913 million) and 2017-18 (\$3.118 million).

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

E3 BUDGET TO ACTUAL COMPARISON - STATEMENT OF FINANCIAL POSITION

		2019	2019	
	Variance	Original	Actual	Budget
	Note	Budget	Result	Variance
		\$'000	\$'000	\$'000
Current Assets				
Cash and cash equivalents	5	5,912	9,003	3,091
Receivables	6	383	2,090	1,707
Inventories	7	1,022	659	(363)
Other current assets	8	2,423	365	(2,058)
Total Current Assets		9,740	12,117	2,377
Non-Current Assets				
Plant and equipment	9	181	1,268	1,087
Intangible assets	10	8,507	9,823	1,316
Total Non-Current Assets		8,688	11,091	2,403
Total Assets		18,428	23,208	4,780
Current Liabilities				
Payables	11	1,611	3,993	2,382
Accrued employee benefits		251	310	59
Total Current Liabilities		1,862	4,303	2,441
Total Liabilities		1,862	4,303	2,441
Net Assets / Total Equity		16,566	18,905	2,339

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

5. The opening cash balance in the original budget of \$5.201 million does not reflect the actual cash closing balance in 2017-18 of \$9.920 million causing a variance of \$4.719 million. This variance was partly reduced by higher payments for intangibles - a negative variance of \$0.903 million and lower equity injection - a negative variance of \$0.692 million (refer [Note E4](#)).
6. The actual amount of receivables is higher due to an end-of-year accrual of appropriated equity adjustment receivable of \$1.595 million.
7. The variance is a timing issue; the ECQ is expecting to purchase additional election materials in the first quarter of the 2019-20 financial year.
8. The increase against other current assets is a result of a lower number of by-elections conducted than budgeted reducing transactions against prepaid supplies and services and security deposits for June 2019.
9. The variance is a result of capitalised fit-out works performed by the Department of Housing and Public Works free of charge for the ECQ's head office in 2018-19 valued at \$1.310 million. The amount was recognised in the ledger after finalising budget estimates.
10. The higher amount of actual intangible assets is mainly due to additional costs of \$1.134 million relating to the change of scope of the SEMS replacement project as a result of changes to legislation.
11. The variance in payables is primarily attributable to \$1.917 million deferred appropriation payable to the Consolidated Fund (refer [Note C6](#)).

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

E4 BUDGET TO ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

	Variance Note	2019 Original Budget \$'000	2019 Actual Result \$'000	Budget Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Service appropriation receipts	1	48,003	21,821	(26,182)
User charges and fees		30	22	(8)
GST input tax credits from ATO		890	1,428	538
GST collected from customers		2	-	(2)
Other		-	41	41
<i>Outflows:</i>				
Employee expenses	2	(9,001)	(7,275)	1,726
Supplies and services	3	(38,180)	(13,608)	24,572
GST paid to suppliers		(840)	(1,643)	(803)
GST remitted to ATO		(2)	-	2
Other		(75)	(74)	1
Net cash provided by (used in) operating activities		827	712	(115)
Cash flows from investing activities				
<i>Inflows:</i>				
Sales of plant and equipment		-	3	3
<i>Outflows:</i>				
Payments for plant and equipment		(79)	-	79
Payments for intangibles	10	(3,302)	(4,205)	(903)
Net cash provided by (used in) investing activities		(3,381)	(4,202)	(821)
Cash flows from financing activities				
<i>Inflows:</i>				
Equity injections	12	3,341	2,649	(692)
<i>Outflows:</i>				
Equity withdrawals		(76)	(76)	-
Net cash provided by (used in) financing activities		3,265	2,573	(692)
Net increase (decrease) in cash and cash equivalents		711	(917)	(1,628)
Cash and cash equivalents - opening balance		5,201	9,920	4,719
Cash and cash equivalents - closing balance		5,912	9,003	3,091

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

12. The variance is due to an equity injection deferral reflecting the SEMS replacement project milestones achieved as at 30 June 2019.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

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

F1 ADMINISTERED ITEMS

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

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

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

F1-1 Schedule of Administered Income and Expenditure

	2019 \$'000	2018 \$'000
Administered Income		
Revenue from local councils	703	1,843
Fines and forfeitures	1,047	5
Total Administered Income	1,750	1,848
Administered Expenses		
Transfers of Administered Income to Government	1,747	1,844
Other expenses	3	4
Total Administered Expenses	1,750	1,848

F1-2 Schedule of Administered Assets and Liabilities

	2019 \$'000	2018 \$'000
Administered Assets		
<i>Current</i>		
Cash	171	(13)
Receivables	8	889
Total Current Assets	179	876
Administered Liabilities		
<i>Current</i>		
GST Payable	-	82
Payable to Government	179	794
Total Current Liabilities	179	876

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

F1 ADMINISTERED ITEMS (continued)

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

This note compares the original published budgeted figures for 2018-19 to actual results in respect of the ECQ's major classes of administered income, expenses, assets and liabilities. An explanation of major variances is also included.

	Variance Note	2019 Original Budget \$'000	2019 Actual Result \$'000	Budget Variance \$'000
INCOME AND EXPENDITURE				
Administered Income				
Revenue from local councils	13	3,769	703	(3,066)
Fines and forfeitures		1,000	1,047	47
Total Administered Income		4,769	1,750	(3,019)
Administered Expenses				
Transfers of Administered Income to Government	13	4,769	1,747	(3,022)
Other expenses		-	3	3
Total Administered Expenses		4,769	1,750	(3,019)
ASSETS AND LIABILITIES				
Administered Assets				
<i>Current</i>				
Cash		(22)	171	193
Receivables		123	8	(115)
Total Current Assets		101	179	78
Administered Liabilities				
<i>Current</i>				
Trade Creditors		(1)	-	1
Payable to Government		102	179	77
Total Current Liabilities		101	179	78

Notes Explaining Major Variances for Administered Activities

13. The lower actual revenue collected from local councils is due to a lower number of Local Government by-elections conducted in 2018-19.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

SECTION 7 OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Details of Key Management Personnel

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

The following details for non-Ministerial KMP reflect those ECQ positions that had authority and responsibility for planning, directing and controlling the activities of the ECQ during 2018-19 and 2017-18. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Electoral Commissioner	The Electoral Commissioner is responsible for the running of the Electoral Commission of Queensland, an independent statutory authority established under the <i>Electoral Act 1992</i> to administer the electoral laws of Queensland in an efficient, effective and economical manner thus ensuring the conduct and administration of elections are not influenced by political considerations.
Assistant Electoral Commissioner	To provide direct support to the Electoral Commissioner in preparing for, conducting and reporting on elections in Queensland.
Executive Director, Election Event Management	To provide direct support to the Assistant Electoral Commissioner in ensuring the successful administration of election events. The position is responsible for contributing to the overall strategic direction and success of the Electoral Commission of Queensland in building reputation while creating confidence with a diverse range of stakeholders. This position was created in 2018-19 and filled on 1 July 2019.
Executive Director, Digital Technology	To provide direct support to the Electoral Commissioner and be responsible for the digital transformation of the commission aligned with the overall strategic priorities. This position was created in 2018-19 and filled on 1 July 2019.
Director, Readiness	To lead the Event Planning and Information, Communication and Technology Units by ensuring quality electoral services to key stakeholders throughout Queensland.
Director Strategy, Policy and Governance	To lead the Strategy, Policy and Governance unit responsible for the efficient and effective administration of strategy policy and communication strategy for the commission.
Director, Elections, Disclosure and Spatial	To lead the Elections, Funding and Disclosure and Spatial Units by ensuring the commission complies with the responsibilities and obligations as prescribed in the <i>Electoral Act 1992</i> and <i>Local Government Act 2011</i> .
Director, Integrity	To lead and deliver an integrated and practical approach to effective governance, communications and business improvements for the commission.
Director, Corporate Services	To lead the corporate services unit in the management and coordination of finance, human resources, learning development and business improvement of the commission.
Director, Technology Division	To lead the Information Technology division by ensuring all technology related decisions are aligned with the commission's strategic objectives.
Chief Finance Officer	To lead the Finance Unit and perform the legislated responsibilities of the Chief Finance Officer.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

KMP Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The ECQ does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements for the 2018-19 financial year, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the ECQ's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*, with the exception of the Electoral Commissioner who is appointed under the *Electoral Act 1992*. Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

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

Short term employee expenses, including:

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

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

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

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

Performance bonuses are not paid under the contracts in place.

An independent review of the ECQ's organisational structure was completed in December 2018. The review highlighted the need for the ECQ to increase its capacity level, including creation of two executive positions - the Executive Director, Digital Technologies and the Executive Director, Event Management, who were appointed on 1 July 2019.

The positions in the above table represent transition to the new organisational structure during 2018-19. The new KMP's will replace the abolished and non-executive positions in the 2019-20 financial year.

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

Remuneration Expenses

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

2018-19

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 (Acting to 06/09/2018, appointed from 07/09/2018)	359	3	8	41	-	411
Assistant Electoral Commissioner (to 07/02/2019) *	158	3	3	19	26	209
Assistant Electoral Commissioner (Acting from 10/10/2018, appointed from 24/05/2019)	149	3	3	14	-	169
Director, Readiness (Acting from 14/01/2019)	59	2	1	7	-	69
Director, Readiness (to 24/01/2019)	60	2	2	10	136	210
Director Strategy, Policy and Governance (created 5/04/2019, appointed 23/04/2019)	20	-	-	2	-	22
Director, Elections, Disclosure and Spatial	38	1	1	5	-	45
Director, Integrity (position abolished 25/03/2019)	102	3	2	13	-	120
Director, Corporate Services (from 26/03/2019)	40	1	1	5	-	47
Director, Technology Division (from 15/10/2018)	74	3	2	10	-	89
Chief Finance Officer	118	-	3	16	-	137
Executive Director, Election Event Management	-	-	-	-	-	-
Executive Director, Digital Technology	-	-	-	-	-	-

* The officer was on a secondment to another government agency for part of the financial year

2017-18

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

Electoral Commission of Queensland Notes to the Financial Statements

for the year ended 30 June 2019

G2 RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

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

Transactions with other Queensland Government-controlled entities

The ECQ's primary ongoing sources of funding from the Government for its services are appropriation revenue (Note B1-1) and equity injections (Note C7-1 and C7-2), both of which are provided in cash via Queensland Treasury.

The ECQ makes payments to Queensland Government-controlled entities for general operating expenditure. Examples of this expenditure include payments for accounting services provided, payroll tax and workers compensation premiums. These payments are based on agreed terms and are consistent with the terms provided to other government entities.

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

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

Changes in Accounting Policy

The ECQ applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continues to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and measurement

The ECQ's debt instruments comprise of receivables disclosed in Note C2, which as at 30 June 2018 were measured at amortised cost. Under AASB 9, they continue to be measured at amortised cost beginning 1 July 2018.

Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss.

On adoption of AASB 9's new impairment model, there was no change to the ECQ's provision for impairment of trade receivables, which remained at nil balance.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2018-19.

Accounting Standards Applied for the First Time

Other than AASB 9 *Financial Instruments*, which is detailed above, no accounting standards that apply to the ECQ for the first time in 2018-19 have any material impact on the financial statements.

G4 TAXATION

The ECQ 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 ECQ. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note C2).

Electoral Commission of Queensland Management Certificate

for the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), s.42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Electoral Commission of Queensland for the financial year ended 30 June 2019 and of the financial position of the ECQ at the end of that year; and

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Maya Marpudin
Chief Finance Officer

Date 22/08/2019



Pat Vidgen
Electoral Commissioner

Date 22/8/19

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Electoral Commission Queensland

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the department for the financial report

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

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



Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



Melissa Fletcher
as delegate of the Auditor-General

23 August 2019

Queensland Audit Office
Brisbane

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	▶ A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Letter of compliance
Accessibility	▶ Table of contents	ARRs – section 9.1	Table of contents
	▶ Glossary		Glossary
	▶ Public availability	ARRs – section 9.2	Inside front cover
	▶ Interpreter service statement	<i>Queensland Government Language Services Policy</i>	Inside front cover
	▶ Copyright notice	ARRs – section 9.3 <i>Copyright Act 1968</i>	Inside front cover
	▶ Information Licensing	ARRs – section 9.4 <i>QGEA – Information Licensing</i>	Inside front cover
General information	▶ Introductory Information	ARRs – section 10.1	Electoral Commissioner's Foreword Who are we
	▶ Machinery of Government changes	ARRs – section 10.2, 31 and 32	N/A
	▶ Agency role and main functions	ARRs – section 10.2	Who are we
	▶ Operating environment	ARRs – section 10.3	Operating context
Non-financial performance	▶ Government's objectives for the community	ARRs – section 11.1	Who are we
	▶ Other whole-of-government plans / specific initiatives	ARRs – section 11.2	Meeting community needs
	▶ Agency objectives and performance indicators	ARRs – section 11.3	Who are we Performance
	▶ Agency service areas and service standards	ARRs – section 11.4	Performance reporting
Financial performance	▶ Summary of financial performance	ARRs – section 12.1	Financial Performance

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	▶ Risk management	ARRs – section 14.1	Risk
	▶ Audit committee	ARRs – section 14.2	Governance Committees
	▶ Internal audit	ARRs – section 14.3	Internal Audit
	▶ External scrutiny	ARRs – section 14.4	Operating context
	▶ Information systems and recordkeeping	ARRs – section 14.5	Information and recordkeeping
Governance – human resources	▶ Strategic workforce planning and performance	ARRs – section 15.1	Strategic workforce planning Performance management
	▶ Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Industrial and employee relations
Open Data	▶ Statement advising publication of information	ARRs – section 16	Open data
	▶ Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	▶ Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	▶ Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	▶ Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	Financial Statements
	▶ Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	Financial Statements

Glossary

AEC	Australian Electoral Commission
CCC	Crime and Corruption Commission
COAG	Council of Australian Governments
ECANZ	Electoral Council of Australia and New Zealand
ECQ	Electoral Commission of Queensland
EDS	Electronic Disclosure System
EGP	Election Gateway Project
EMS	Election Management System
EPC	Election Planning Committee
FPV	Full Preferential Voting
ICT	Information and Communication Technologies
LGCC	Local Government Change Commission (Change Commission)
PDP	Policy Development Payment
PIN	Penalty Infringement Notice
QRC	Queensland Redistribution Commission
RO	Returning Officer
RPP	Registered Political Party
SEMS	Strategic Election Management System
SES	Senior Executive Service
SO	Senior Officer
SMT	Senior Management Team
VIC	Voter Information Card

