



Western Australian Electoral Commission Annual Report 2016 – 2017



Produced and published by

Western Australian Electoral Commission

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Acknowledgement of photo/works front cover

Australian officers and men queue up outside the polling booth [ca. 1945]

Argus Newspaper Collection of Photographs, State Library of Victoria

Certificates of residential qualifications for electors' right to vote [ca. 1863]

State Library Victoria

Wartime voting [ca. 1940]

State Library of Western Australia

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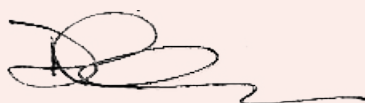
The report concludes with the Commission's independently audited financial statements.

Statement of Compliance

The Hon. Bill Johnston
Minister for Electoral Affairs

In accordance with the requirements of the *Financial Management Act 2006* I am pleased to submit for your presentation to Parliament the Annual Report of the Western Australian Electoral Commission for the year ended 30 June 2017.

The report includes the Auditor General's opinion on the Commission's financial statements and performance indicators.



David Kerslake
ELECTORAL COMMISSIONER
September 2017

COMMISSIONER'S REVIEW

FOREWORD



The highlight of the past year was the successful management of the State general election in March 2017, which was conducted under a number of new electoral laws including direct enrolment, removal of the eligibility requirements for casting an early vote and the availability of internet voting for electors with disability.

A high point for participation was reached in this election. 1,593,222 Western Australians were enrolled to vote and 1,384,500 actually voted. A record number of early and postal votes were cast and a record number of political parties (16) and individual candidates (717) contested the election.

The high level of participation was also reflected in the high proportion of votes cast that were admitted to the count, with a reduction in the level of informal voting, for example, for the Legislative Assembly informality fell from 6% at the 2013 general election to 4.5% on this occasion; for the Legislative Council, from 2.83% to 2.7%.

This election also saw a number of important innovations. 2,288 electors voted online using the Commission's internet voting system with many people with disability having the opportunity to vote in secret for the first time. With a reduction in the election budget allocation, the Commission funded the development of this system from its recurrent budget demonstrating its commitment to providing equal opportunities for all electors.

With the State election completed, the focus quickly turned to planning of the forthcoming Local Government elections, scheduled for October 2017. Confidence in the Commission's integrity and impartiality is demonstrated by the continued increase in the number of local councils, as well as the many and varied private organisations seeking our assistance to conduct their elections.

The Commission's election management benefitted from a structural change that had been implemented with all election functions combined in a single branch, strengthening operational effectiveness and providing greater opportunities for sharing of corporate knowledge and experience. The high level of support from other branches also contributed substantially to the success of our core business activities.

As always I commend Commission staff on their dedication and professionalism, the more-so in what has been an exceptionally busy year. I also take this opportunity to thank our Returning Officers and the thousands of temporary officials without whose contribution the conduct of major election events would simply not be possible.

A handwritten signature in black ink, appearing to read 'David Kerslake'.

David Kerslake
ELECTORAL COMMISSIONER

2016–17 PERFORMANCE SUMMARY

Without a doubt the high point of the year in review was the successful conduct of the State election in March. A comprehensive report on the election, including detailed statistics, can be found in the companion publications [*2017 State General Election Report and 2017 State General Election Results and Statistics*](#), available on the Commission's website. The following were some of the highlights.

As outlined in the Commissioner's foreword, this election set a number of records with regard to the overall level of participation, a pleasing indicator of the health of Western Australia's democracy. Although the proportion of enrolled electors who actually voted was slightly down (86.9%, compared with 89.21% in 2013), the overall number who voted was significantly higher (1,384,500 compared with 1,260,089), reflecting the substantial increase in the electoral roll as a result of direct enrolment.

The Commission's delivery of a well-managed election was all the more noteworthy given that we did so at reduced cost. While the budget allocation (\$18.5 million) was the same as for the 2013 election, when CPI increases are taken into account this constituted a significant reduction in real terms. Remaining within the budget appropriation was a significant achievement in itself.

As an additional challenge the election was conducted under several key new pieces of legislation, including direct enrolment and automatic update of electors' address details, the removal of restrictions on early voting and provision for online voting by some electors. The removal of eligibility criteria for early voting enabled electors to vote up to three weeks before Election Day if they so preferred, with a 166% increase in the number who did so compared with 2013. Although the increase

was anticipated it nevertheless presented some difficulties in choosing suitable early voting centres, with a number of smaller courthouses used in the past deemed unsuitable to cater for increased numbers. This is a factor to which both the Commission and political contestants will have to adjust in the future, with changes in modern lifestyles and work patterns meaning that Election Day will no longer be voting day for an increasing number of electors. A three week voting period is the new norm.

At the 2017 election Western Australia became only the second Australian jurisdiction to make internet voting available to people with a disability or incapacity. In the past electors who were unable to fill out their ballot papers were heavily reliant on others for assistance, effectively denying them a secret vote. This was able to be redressed by the Commission by adopting and adapting the internet voting system successfully deployed at the past two New South Wales State elections. Very strong feedback and appreciation was recorded by the more than 2,200 Western Australians who voted using the system, with an age range from 19 to 94.

Equally positive feedback was received from other electors about the Commission's election management generally, with a high overall level of satisfaction reported in post-election surveys about the convenience of voting facilities and the service provided by electoral officials.

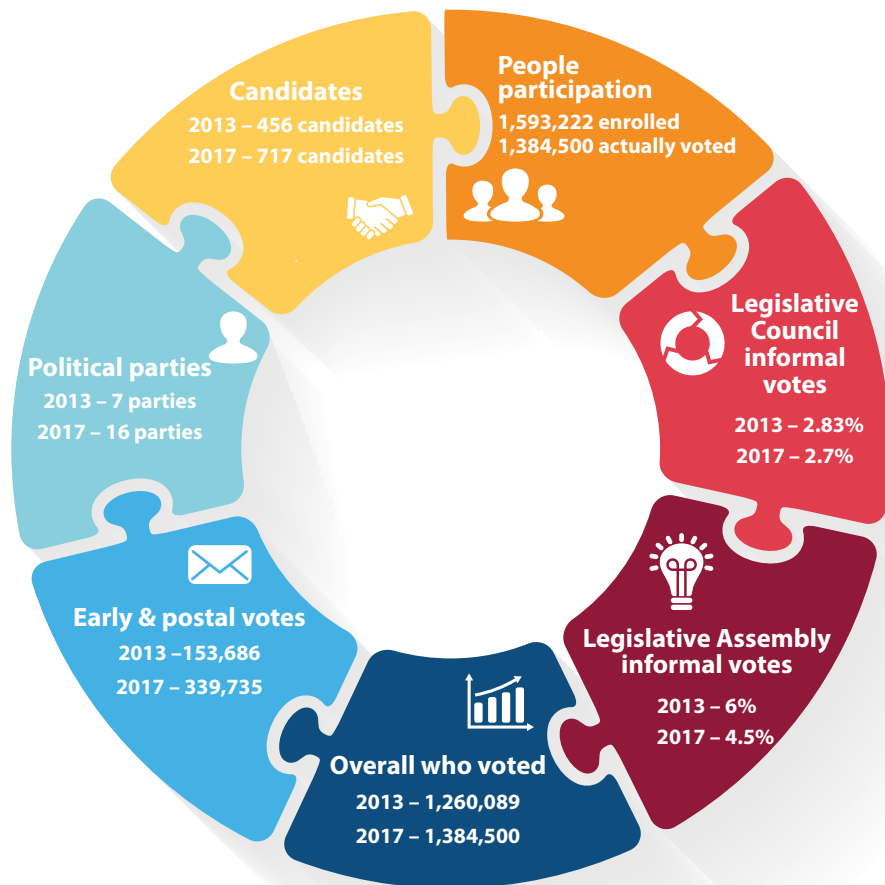
The survey findings can be found at <https://www.elections.wa.gov.au/elections/state/reports>.

While the State election was very significant for the Commission, we also provided early voting facilities for parliamentary elections in five other Australian jurisdictions and successfully

conducted 21 Local Government extraordinary elections as well as a busy program of elections for private sector organisations on a fee for service basis. Preparations for the October 2017 Local Government biennial elections were also commenced immediately following the State election, with 89 out of the State's 138 local councils opting for the Commission to run their elections. In addition to ensuring the application of best practice standards, the Commission's presence provides valuable assurance of the integrity and impartiality of these elections. The Electoral Commissioner also served on an inter-departmental working party charged with the review of future Local Government electoral arrangements. Nine new political parties were registered and, as would be expected in an election year, the Commission's oversight of campaign finance disclosure was particularly busy.

In all of this, we were careful not to lose sight of future electors, with a total of over 43,000 students participating in programs run by our Electoral Education Centre. The Commission also assisted with the conduct of 84 student council elections, providing young people with a direct appreciation of the workings of democracy. It is gratifying to note that almost 77% of teachers surveyed rated our programs as extremely effective, with the remaining 23% giving us a rating of very effective.

All in all, this was a very significant year for the Commission and one in which we were able to fulfil our commitments across all core areas of service delivery.



LOOKING TO THE FUTURE

The Commission will continue its quest to be second to none as a trusted centre of electoral expertise and innovation.

In the year immediately ahead, our focus will be on the effective conduct of the 2017 Local Government biennial elections and on reviewing our performance in that event and at the recently completed general election, remaining prepared as ever to conduct any parliamentary or council by-elections that may arise from time to time.

LOCAL GOVERNMENT ELECTIONS

Planning is already well advanced as scheduled for the October 2017 Local Government elections, with agreements in place with 85 councils to conduct their elections as full postal ballots and 4 through attendance at polling booths. The Commission has worked closely with Australia Post in developing a mailing schedule to maximise the time available for the issue and return of postal ballot papers.

The Commission will continue to promote community awareness of the upcoming elections in an effort to maximise participation. The declining timeliness of mail deliveries is also a challenge for the future. In the year ahead we will collaborate with the Department of Local Government and Communities and other bodies such as the Local Government Association in considering the desirability of alternate voting methods.

CONCLUDING THE STATE ELECTION

The writ for the State election was returned to the Governor on 20 April 2017, less than six weeks after Election Day and well in advance of the specified deadline. From the Commission's perspective the overall conduct of the 2017 State election was very smooth and relatively uneventful. That said, there are lessons to be gleaned from every electoral event. The close-out of the election will therefore take some time yet, as the Commission analyses feedback from a variety of sources, including candidates and political parties, Returning Officers and other election officials. Further enhancements will be made to our Election Management System and the Commission is already working with its counterparts in other Australian jurisdictions on the development of sophisticated internet voting technology. Given that voting at the election was compulsory, the Commission is also required to undertake a (quite lengthy) process of following up cases of apparent non-voting.

Noting that the Community Development and Justice Standing Committee of the Western Australian Parliament has commenced its own election review, the Electoral Commissioner has given evidence to the Committee's scoping hearing as well, providing written submissions and will be available to assist the Committee in its further deliberations. The Committee has been advised of the recommendations for legislative change included in the Commission's formal report on the conduct of the 2017 election and which are set out below.

RECOMMENDATIONS FOR LEGISLATIVE REFORM

A new Electoral Act

Western Australia's Electoral Act was originally drafted in 1907. Despite numerous amendments over the years, the statutory language is substantially out of date. The piecemeal nature of electoral reform has also resulted in an Act that is fragmented, voluminous and inconsistent in parts, and thereby difficult to interpret. A complete overhaul is long overdue, not just to render the provisions easier for the Commission to apply, but also for the many other election participants to understand and comply. What is needed is an Act that is written in simple language and accurately reflects modern electoral practice.

The past highly prescriptive approach to electoral administration also needs to be reconsidered. While overriding standards are important and should be enshrined in legislation, this does not necessitate precise regulation of all or even most facets of electoral procedure. As well as being drafted in clear and simple language, electoral legislation should be broadly principles-based to provide a degree of flexibility to allow electoral administrators to respond appropriately and adeptly to unexpected circumstances.

Recommendation 1: that a comprehensive review of the Electoral Act be commenced at the earliest opportunity.

BROADER ELIGIBILITY FOR INTERNET VOTING

At the 2017 State election Internet voting was available for people with a disability or incapacity, many of whom were able to vote in secret for the first time.

In the Commission's post-elections survey of iVote users a number of respondents commented on the desirability of expanding the system to include remote, overseas and general early voter electors at future elections. This sentiment is consistent with comments made by some Members of Parliament during passage of the 2016 amendment which sanctioned internet voting for people with disability. It would also be responsive to the high number of electors at each election who are excused for not voting because they are absent from the State, those whose postal votes do not arrive on time to be included in the count, and the possibility of some remote areas being isolated by floods.

Recommendation 2: that Internet voting be available at future WA parliamentary elections as an option for electors in remote areas and those absent from the State on Election Day.

REMOVE THE REQUIREMENT FOR PUBLICATION OF CERTAIN DETAILS

Section 75 of the Act presently requires the Commission to publish particulars of the writ in a newspaper circulating in each region or district, 'or by placards or otherwise'. Sections 86(2b) and 87(7) likewise requires the publication of the names of candidates for both the Legislative Assembly and Legislative Council.

With the advent of alternative, electronic means of communication these requirements are anachronistic and unnecessarily expensive.

Recommendation 3: that the election publication requirements be satisfied by publishing required information on the Electoral Commission's website.

PAYMENT OF CANDIDATE DEPOSITS

Using modern technology most steps in the candidate nomination process can now be undertaken online, but with one exception: payment of candidate deposits must be made in cash or by bank cheque. Allowing the electronic lodgement of deposits would enable the entire nomination process to be completed online, greatly reducing the administrative burden on candidates, political parties and the Commission alike.

Recommendation 4: that the Act be amended to provide the option of electronic transfer of funds for payment of candidate deposits.

DISCLOSURE REQUIREMENTS FOR POLITICAL PARTIES REGISTERED AT BOTH STATE AND FEDERAL LEVELS

Section 175N of the Act requires political parties to disclose all donations of \$2,300 or more, except that for any party registered at both State and Federal levels submission of the Federal return is deemed to have met State disclosure requirements.

The current Federal threshold for the disclosure of donations is \$13,200, well above the State threshold of \$2,300. This means that the amount that can be donated to a party with dual registration without disclosure is much higher than for a party with State-only registration. The result is an un-level playing field, which should be remedied irrespective of other administrative considerations.

Recommendation 5: that all registered political parties and associated entities should submit disclosure returns under a single set of rules.

THE ELECTORAL ROLL

The introduction of direct enrolment provisions in 2016 paved the way for a much more accurate and complete electoral roll. This particularly applies to electors' address details, which can be updated automatically using reliable data sources reducing the likelihood of eligible electors being objected off the roll.

The electoral roll for Western Australia is maintained by the Australian Electoral Commission (AEC) under a joint arrangement between the State and Commonwealth governments. The AEC has advised that although direct enrolment captures a high number of address updates, the proportion is lower for newly eligible electors such as 18 year olds because different criteria apply. Given the increasing disengagement of younger electors, it is important to minimise impediments to their participation. We will therefore continue to explore with the AEC ways of increasing the effectiveness of direct enrolment for new electors, noting that states such as Victoria and New South Wales that substantially manage their own electoral rolls appear to be achieving a higher proportion of enrolments in this age cohort.

ELECTORAL COUNCIL OF AUSTRALIA AND NEW ZEALAND

The Electoral Commissioner is a member of the Electoral Council of Australia and New Zealand, a consultative body of electoral commissioners from the Commonwealth, States and Territories, and New Zealand which focusses on electoral collaboration and innovation.

ECANZ priorities in the year ahead include the further development of electronic voting and sharing of materials and electronic equipment. Of particular note, ECANZ members have agreed to work together, sharing their expertise and any available resources, setting out to develop the most rigorous possible internet voting facility available for shared use where authorised.

NON-PARLIAMENTARY ELECTIONS

The Commission's conduct of elections in the private sector is generally highly valued by those organisations that use our services, as well as providing opportunities for the Commission to broaden its own expertise through exposure to a wide variety of election systems. The Elections Management Branch will continue to assist client organisations with the conduct of elections on a fee for service basis and of particular note, to advise them on the review of their electoral rules to reflect best practice.

DISCLOSURE OF CAMPAIGN FINANCE

Active participation by individual candidates, political parties and special interest groups is a healthy feature of any stable democracy. Some groups may choose to campaign for or against particular issues of importance to them while other individual bodies have the right to make donations to political parties provided that they meet the disclosure requirements set down in the Electoral Act. Reference has already been made to the criticality of amending certain aspects of the current disclosure laws in the interests of maintaining a level playing field.

OVERVIEW OF THE AGENCY

WHAT WE ARE

- The Western Australian Electoral Commission's roles and responsibilities are laid down in Part II of the *Electoral Act 1907*. Our primary function is to conduct elections for the Western Australian Parliament as well as referendums where required.
- A subsidiary but nevertheless important role is to conduct elections for Local Governments where requested or where it is mandated that we do so. Under the *Local Government Act 2009*, elections are held on a two-year cycle. Where a local council opts to conduct its election by postal ballot, the election must be conducted by the Commission. Councils preferring to conduct their election as attendance ballots (that is, using polling booths) have the option of running their own elections or asking the Commission to do so on their behalf. Any elections run by the Commission must be conducted on a full cost recovery basis.
- The Commission conducts elections for State-registered industrial organisations and is also authorised to enter into agreements to conduct elections for private sector organisations. Not all such elections are suited to the Commission, but we endeavour to assist where we can, both to provide a public service and as a means of providing development opportunities for Commission staff.
- The Commission also exercises important compliance or regulatory functions. These include the registration of State political parties and maintenance of the public Register of Political Parties. Parties, their associated entities and other bodies which engage in election campaigns are required to disclose details of certain financial transactions, particularly the source of election donations. To give effect to important transparency principles, the Commission receives disclosure returns and makes them available on its website for public scrutiny.



Conducting the 2107 State General Election

WHO WE ARE

THE ELECTORAL COMMISSIONER

The current Electoral Commissioner David Kerslake was appointed in September 2015 for a five year term. He has substantial experience in electoral administration, having previously served as Queensland's Electoral Commissioner for seven years and as a senior executive with the Australian Electoral Commission. All told Mr Kerslake has overseen the conduct of four State general elections and a further three state-wide Local Government elections. He has held other independent statutory offices as Health Complaints Commissioner in Queensland and Western Australia.

CORPORATE EXECUTIVE

The Commission's Corporate Executive comprises the Electoral Commissioner, Deputy Electoral Commissioner, and senior managers of Business Services, Information Technology, Enrolment, Elections Management and Legislation, Communications and Human Resources. All have relevant electoral experience and substantial public sector experience.

The Executive provides advice to the Commissioner on issues of strategic direction and assistance in the development of corporate policy and operational planning.

AUDIT AND RISK MANAGEMENT COMMITTEE

This committee, chaired by the Electoral Commissioner and largely comprising members of the Corporate Executive, meets separately to identify and manage key election-related and corporate risks.

STAFFING

The Commission is comprised of 45 full time equivalent staff spread across five separate branches. Although the Commission has a dedicated elections management branch, all officers throughout the Commission have the opportunity and are actively encouraged to participate in election projects, as a means of developing the multiple skills of staff.

During major electoral events such as a State general election, the Commission employs the services of over 7,000 Western Australians as temporary election officials and Returning Officers.

OUR CLIENTS

The Commission has a diverse client base including Members of Parliament and political parties, candidates for parliamentary, local government and fee for service elections, schools, indigenous and ethnic communities and individual electors. Stakeholder engagement is therefore a priority in all activities we undertake.

WHAT WE STAND FOR

The Commission prides itself on being a leading and trusted election manager. To that end, it is essential that we demonstrate not only a high degree of competence, but the highest standards of integrity and impartiality. It is also

important that we manage the electoral system in a way that is accessible to and meets the needs of all Western Australians. To that end, the values that we espouse are:



All of these values are considered to be critical, but none more so than the Commission's impartiality. The Electoral Commissioner is an independent statutory officer, accountable for the efficient management of the organisation's financial and human resources, but afforded

legislative independence with regard to actual election operations. Where the Commissioner is required to advise the Government and the Parliament on matters relating to electoral reform this must be done without fear or favour.

THE COMMISSION'S STRATEGIC OBJECTIVES

Strategic objectives

The Commission's strategic goals as set out in the Strategic Plan 2015–2018 are to:

- 1 Conduct elections and polls efficiently and in compliance with applicable legislation, regulations or rules.
- 2 Manage and maintain the integrity of the State electoral roll and improve enrolment participation.
- 3 Increase community awareness of electoral services and promote active participation in elections.
- 4 Build and maintain effective relationships with our customers and other stakeholders.
- 5 Attract and retain competent and committed employees.
- 6 Foster a culture that supports innovation and continuous improvement.

COMMISSION STRUCTURE

The Commission is responsible for conducting State parliamentary and Local Government Elections, various elections for private organisations on a fee for service basis and for maintaining the State electoral roll. Through its Electoral Education Centre the Commission also promotes awareness among the State's future voters.

The Commission's structure is based on the following core areas:

EXECUTIVE

Comprises the Electoral Commissioner, executive support and the Commission's internal audit and risk management functions.

ELECTION MANAGEMENT

The Elections Management branch is responsible for the conduct of State, Local Government and fee-for-service elections in Western Australia. The Enrolment and Education section of the branch manages the State electoral roll as well as conducting education and awareness activities for school and community groups.

BUSINESS SERVICES

The Business Services branch manages financial, records, training and administrative services in the Commission, including oversight of an annual operational budget of around \$8 million. The branch is also responsible for skills inventories and succession planning.

INFORMATION TECHNOLOGY

The Information Technology branch provides day to day technology related support for all branches within the Commission as well as developing critical elections systems.

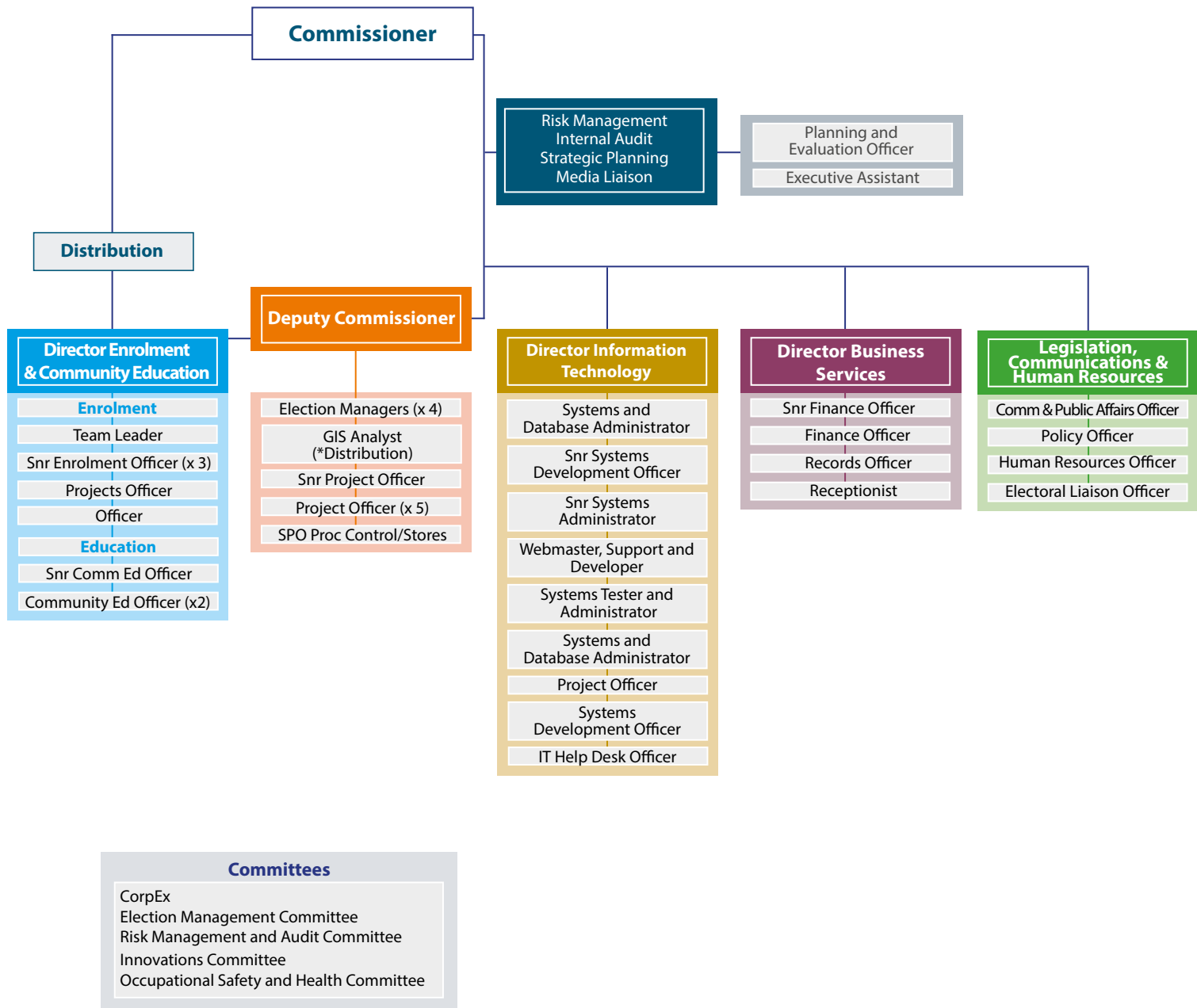
LEGISLATION, COMMUNICATIONS AND HUMAN RESOURCES

This branch is responsible for legislative reform, policy development, corporate communications, human resource functions and compliance with the funding and disclosure provisions set down in Part VI of the Electoral Act.



WAEC Executive Management Team

ORGANISATIONAL CHART



AGENCY PERFORMANCE

SUMMARY OF KEY RESULTS & PERFORMANCE

INDICATORS OF OUR PERFORMANCE

What we set out to do	What we achieved
<p>Achieve a high level of community trust in the competent and impartial conduct of the March 2017 State general election</p>	<p>Successfully conducted the largest State election ever.</p> <p>Planning for the election, including the letting of contracts for core support services, was commenced well in advance.</p> <p>Returning officers were recruited, appointed and trained in a timely and effective manner. Systems were put in place to recruit, appoint and pay over 7,000 polling place personnel.</p> <p>Over 800 polling places and early voting centres were inspected, booked and necessary arrangements put in place in advance of polling commencement, in addition to 338 mobile polling locations.</p> <p>Elections systems were updated to accommodate the 2016 amendments to the Electoral Act, including the development of technology assisted voting and major changes in ballot paper design.</p> <p>Catered for a dramatic increase in the number of electors casting their vote prior to election day – up from just over 150,000 at the 2013 election to well over 330,000.</p> <p>Achieved a 25% reduction in the level of informal voting for the Legislative Assembly.</p> <p>Conducted the election with the same level of funding that was available at the 2013 general election.</p>
<p>Efficiently conduct elections for local governments and various union and community or business organisations.</p>	<p>Successfully conducted 26 elections or polls for various entities including unions, university guilds, private or public sector boards and community based organisations.</p> <p>Appointed Returning Officers and managed extraordinary elections for 10 separate local governments from across the State.</p> <p>Provided electoral advice and/or assisted a number of organisations with the review of their election rules in accordance with best practice standards.</p>

What we set out to do	What we achieved
<p>Maintain the State electoral roll, provide quality roll products and enhance enrolment processes.</p>	<p>Worked collaboratively with the AEC on the implementation of direct enrolment and automatic updates for the State Roll, following the passage of amendments to the Electoral Act.</p> <p>Undertook the roll close for the March State election within the limited timeframe available and accurately produced the various roll products required, including the issue of rolls to candidates and the production of printed and electronic rolls for use at polling locations.</p> <p>Provided a total of 19 rolls for local government extraordinary elections or polls, the Sheriff with jury lists for each of the 16 jury districts, and various roll products to Members of Parliament and other eligible clients.</p>
<p>Increase community awareness of and participation in electoral processes through effective education and public information programs.</p>	<p>Engaged directly with a record 43,381 individuals participating in programs run by the Electoral Education Centre, either at the Centre itself or as part of various out-reach activities in metropolitan and regional WA.</p> <p>Successfully conducted various community based enrolment drive and electoral awareness activities, including stalls at the Perth Royal Show, Murray Street Mall and NAIDOC week.</p> <p>Successfully trialled a Culturally and Linguistically Diverse Electoral Ambassador program to promote electoral awareness across various communities.</p>
<p>Maximise use of cutting edge technology.</p>	<p>Developed and successfully deployed a system of technology assisted voting that allowed over 2,200 individuals with a disability or incapacity to vote in secret, many for the first time.</p> <p>Enhanced our enrolment and election management systems, including the use of online portals by returning officers, enhanced online training, the use of tablets by polling officials to better service elector needs and the expanded use of electronic roll mark-off in polling places.</p>
<p>Continue to improve our governance arrangements.</p>	<p>Streamlined our management structure including a single risk management and audit process.</p> <p>Established an Election Management Committee to provide advice directly to the Electoral Commissioner on progress in meeting identified election milestones and any significant emerging issues.</p>

OUTPUTS & RESULTS

Output 1: ELECTION MANAGEMENT

Objective

To conduct elections efficiently and effectively in accordance with best practice and relevant legislation or rules.

Strategies

- Apply effective project management practices to the conduct of all elections
- Continually review and evaluate electoral legislation and procedures
- Develop and implement innovative systems
- Focus on customer service

Output 2: ELECTORAL ROLL MANAGEMENT

Objective

To maintain the integrity of the State electoral roll while maximising the enrolment of eligible electors

Strategies

- Engage with Western Australians to promote enrolment participation
- Maximise direct enrolment opportunities in collaboration with the Australian Electoral Commission
- Improve roll maintenance policies and procedures
- Comply with all legislative requirements
- Produce quality roll products and services

Output 3: ELECTORAL AWARENESS & ENGAGEMENT

Objective

To increase community awareness of electoral services and maximise participation in elections.

Strategies

- Conduct effective education programs
- Actively advocate the importance and value of democratic participation

ELECTION MANAGEMENT

2017 STATE GENERAL ELECTION

The March State election broke a number of records on many fronts and saw the introduction of some important initiatives.

When rolls closed on the 9 February 2017 there were 1,593,222 electors on the State Roll – an increase of almost 200,000 over the previous general election in 2013.

The number of registered political parties increased from 7 in 2013 to 16 and the number of candidates contesting all vacancies once nominations closed on 10 February was a record 717 – up from 456 in 2013.

When polling closed at 6.00pm on Saturday 11 March a total of 1,384,500 Western Australians had cast their vote, compared with 1,260,089 at the previous election.

A major development was the proportion of electors who cast their vote prior to polling day, increasing from 153,686 in 2013 to 339,735. A record number of early votes were counted at the Commission's Count Centre after polling closed on election night.

An important improvement achieved was the significant reduction in the average rate of informality for Legislative Assembly districts, falling from 6% to 4.5%.

INITIATIVES AND IMPROVEMENTS

In the lead-up to the State election the Commission developed a platform allowing eligible electors to vote using the internet or a touch tone telephone, allowing many electors with disability to vote in secret for the first time.

In addition to enhancing the capacity of Returning Officers to utilise the Commission's Election Management System via the internet, nearly all early and declaration votes were

issued with the aid of electronic roll mark-off, and nearly 2,900 tablets were used by polling officials to assist electors with a range of enquiries and to improve polling place efficiency.

A new software package was used to enhance the functionality and effectiveness of online training for returning officers and polling officials, and 12 short, task specific videos were produced for training purposes.

Ballot papers were re-designed in a landscape format with above and below the line voting options for the Legislative Council, different colours for each of the six Council regions; and conjoined ballot papers for the two houses.

OTHER ELECTIONS CONDUCTED

The Commission's Elections Management Branch conducted 26 electoral events for unions, boards and community organisations, in addition to managing 10 local government extraordinary elections across the State.

ASSISTANCE TO OTHER ELECTORAL AUTHORITIES

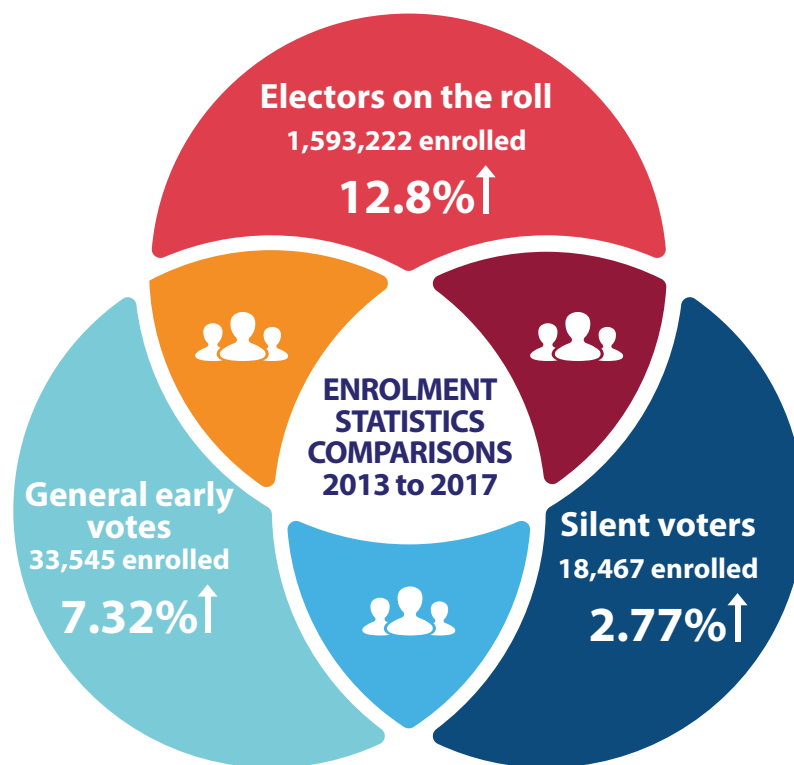
Under reciprocal arrangements the Commission provided early voting support to the Australian Capital Territory and Northern Territory for general elections, Tasmania for its Legislative Council elections, and New South Wales and Queensland for four by-elections.

ELECTORAL ROLL MANAGEMENT

At the close of rolls for the State election there were 1,593,222 electors on the roll for the election, an increase of 12.8% compared with the 2013 State election. As a consequence of direct enrolment legislation introduced in 2016, there is now negligible divergence between the Commonwealth and State rolls.

The number of general early voters increased by 7.32% to 33,545, largely as a result of increased activity related to the State election. The number of silent electors increased by 2.77% to 18,467.

In accordance with legislative requirements, the Commission provided enrolment updates to members of parliament and parliamentary parties and lists of prospective jurors to the Sheriff. A number of other entities were also provided with enrolment information, where the requests were deemed in the public interest (for example, to assist with medical research) pursuant to the legislation. 19 electoral rolls were produced for local government extraordinary elections.



ELECTORAL AWARENESS AND ENGAGEMENT

Activity at the Commission's Electoral Education Centre increased significantly during the period, with strong interest around the Federal election in July 2016 and the State election. 2017 also saw an increased focus on civics education across the Western Australian school curriculum.

During the period presentations were delivered to:

- 12,848 primary and secondary students through external school visits in the Perth metropolitan area
- 2,455 students in schools in regional and non-metropolitan areas
- 660 TAFE and adult education students.

8,577 students and adults visited the EEC and 19,594 students were involved in the 84 school council elections whose conduct was assisted by the Commission. 5,321 students participated in a Civics Education program conducted jointly with the Constitutional Centre).

The total number of interactions for the period increased by almost 20% over the previous year, an extremely pleasing result that bodes well for the continued involvement of students in election processes as they reach voting age.



Enrolment drive, Murray Street Mall

Feedback from teachers was extremely positive, with:

- 76.76% rating the education programs as extremely effective (an increase of 16%); and
- 23.24% as very effective.

The Commission also developed an education program specifically for electors for whom English is a second language (the CALD Electoral Ambassador Program) and conducted a range of other consultative and awareness raising activities with a strong focus on promoting enrolment, including stalls at the Perth Royal Show, Murray Street Mall and NAIDOC Week.

For the State election the Commission ran a highly innovative advertising campaign which targeted particular elector groups with bespoke messaging and the most appropriate media channels. Younger electors were targeted with a high profile digital, cinema and outdoor campaign which fostered significant engagement.



CALD Electoral Ambassador Program workshop



Outdoor bike billboards campaign

KEY RESULT AREA 1

OUR CLIENTS

SPECIALIST ELECTOR SERVICES

Both the makeup of the Western Australian electorate and the State's physical landscape are extremely diverse, requiring the Commission to be well tuned to varying accessibility needs.

In preparation for the State election Commission personnel actively consulted with various community groups and representative bodies to better understand access requirements and to develop service programs accordingly.

For example, it was found that more needed to be done to improve service delivery to electors for whom English is a second language. Accordingly, a trial program of training representatives from different culturally and linguistically diverse (CALD) communities to be Electoral Ambassadors was implemented.

In addition to attending paid face to face training sessions, participants were provided with easy to read resource materials in 25 languages commonly spoken in Western Australia, for distribution across the community. Program participants were also employed as Election Information Officers at polling places identified as having a concentration of electors who spoke a particular language or which had previously recorded a high rate of informality.

The accessibility of voting facilities for people with disability was greatly enhanced through the development and implementation of an internet and telephone voting system.

The Commission also continued to work with the AEC on the delivery of dedicated enrolment and electoral services to indigenous communities.

SERVICES TO PARTIES AND POLITICAL CANDIDATES

The Commission efficiently undertook considerable administrative work associated with registering new political parties prior to the election. In total a record 16 parties contested the election, up from just seven registered parties at the 2013 election.

A significant number of briefings were delivered to party officials and groups of nominating candidates by Commission personnel in the lead-up to the election.

The capacity for a party to centrally lodge candidate nominations was further enhanced at this election, and for the first time party secretaries could appoint scrutineers in addition to appointments by candidates, saving considerable time and effort for all concerned.

Post-election, applications for political funding were processed expeditiously, along with nomination deposit returns to hundreds of candidates.

KEY RESULT AREA 2

OUR PEOPLE

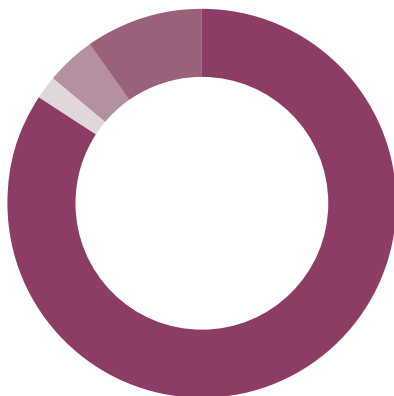
With the conduct of the State election soon followed by intensive planning for the 2017 Local Government elections, this was an especially busy year for Commission staff. To meet these challenges the Commission spread election projects among all staff, sharing the workload as well as the developmental opportunities.

The Commission continues to be an employer of choice by providing a family friendly and flexible workplace, relevant and interesting training opportunities and recognition of achievements through hard work.

STAFF PROFILE

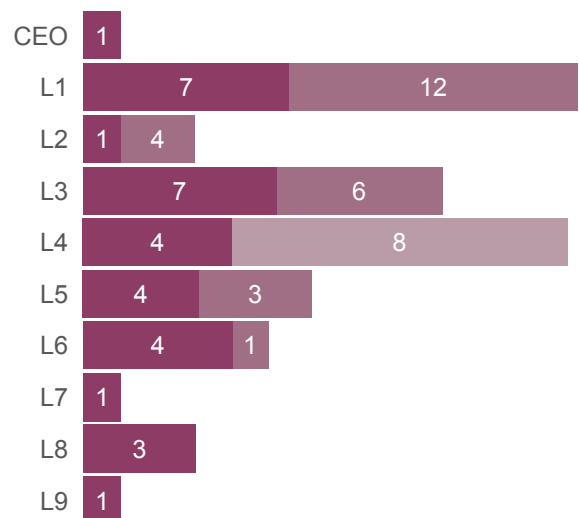
Currently the Commission employs 45 permanent staff in addition to 23 temporary staff. Additional casual staff members were employed during peaks of election activity. At this year's 2017 State General Election over 7000 polling officials, 73 District and Regional and Reserve Returning Officers, 6 Returning Officer Liaison Officers and 19 operational casuals were employed and paid by the Commission directly.

FULL TIME AND 2017 STATE GENERAL ELECTION STAFF



■ 7,092 Election staff
■ 45 permanent staff
■ 22 Temporary
■ Additional casual members

COMMISSION STAFF HEAD COUNT 2016–2017 (PER LEVEL, GENDER)



Total Staff: 68

■ Male
 ■ Female

KEY RESULT AREA 3

OUR ORGANISATION

KEY GOVERNANCE PRINCIPLES

The Commission's overall governance, overseen by the Electoral Commissioner and Corporate Executive, follows the following key principles:

- adherence to corporate and public sector codes of conduct
- ensuring effective internal checks and controls and the implementation of recommendations from internal and external auditors
- continual monitoring and review of risk management strategies
- regular monitoring of financial and operational performance
- clear links between operational plans and the Strategic Plan
- open and transparent communication
- knowledge sharing, mentoring and succession planning.

RISK MANAGEMENT

Given the public importance of electoral work, the management of risk is a key focus for the Commission with the entire management team involved in addressing strategic, operational and project risks, particularly in the course of the 2017 State election. All Commission employees play a key role in identifying and mitigating risks, with the Risk Management and Audit Committee providing the key oversighting role.

In 2016–17 an internal audit schedule was established involving separate audits of key election activities. All suggested system improvements were implemented.

FINANCIAL MANAGEMENT

The Commission has an ongoing operational budget of around \$7.8 million. The Commission balanced its budget in 2016/2017. In addition, the Commission received an appropriation of \$18.5 million for the 2017 State general election and conducted the election within that budget.

INFORMATION SYSTEMS AND TECHNOLOGY

The major focus throughout the year was on systems development in readiness for the 2017 State General Election as well as the setup and development of the new internet and telephone voting system for people with disability or an incapacity.

The Election Management System was expanded to provide an online portal for Returning Officers, dispensing with the requirement for them to install extensive software applications. An online portal was also developed for reporting Legislative Council results. A new web site was created to cater for the 2017 election and to carry us forward into the future. An enhanced Centralised Nomination System made it easier for parties to lodge candidate nominations. Server upgrades and maintenance were also continued to ensure they met performance, capacity and security requirements.

DISCLOSURES

DISCLOSURES & LEGAL COMPLIANCE

COMPLIANCE WITH RELEVANT LEGISLATION

Administrative	Operational
<i>Criminal Code</i>	<i>Constitution Act 1889</i>
<i>Disability Discrimination Act 1992 (Cth)</i>	<i>Constitution Acts Amendments Act 1899</i>
<i>Disability Services Act 1993</i>	<i>Election of Senators Act 1903</i>
<i>Equal Opportunity Act 1984</i>	<i>Electoral Act 1907</i>
<i>Electronic Transactions Act</i>	<i>Electoral (Ballot Paper Forms) Regulations 1990</i>
<i>2011 Evidence Act 1906</i>	<i>Electoral (Political Finance) Regulations 1996</i>
<i>Financial Management Act 2006</i>	<i>Electoral Regulations 1996</i>
<i>Freedom of Information Act 1992</i>	<i>Fines, Penalties and Infringement Notices Enforcement Acts 1994</i>
<i>Industrial Relations Act 1979</i>	<i>Guardianship and Administration Act 1990</i>
<i>Occupational Safety and Health Act</i>	<i>Industrial Arbitration (Unions Elections) Regulations 1980</i>
<i>1984 Parliamentary Commissioner</i>	<i>Juries Act 1957</i>
<i>Act 1971 Public and Bank Holidays</i>	<i>Local Government Act 1995</i>
<i>Act 1972 Public Sector Management</i>	<i>Local Government (Elections) Regulations 1997</i>
<i>Act 1994 Public Interest Disclosure</i>	<i>Referendums Acts 1983</i>
<i>Act 2003 Salaries and Allowances Act 1975</i>	<i>Referendums Regulations 1984</i>
<i>State Records Act 2000</i>	<i>Working with Children (Criminal Record Checking Act 2004</i>
<i>State Superannuation Act 2000</i>	
<i>State Superannuation (Transitional and Consequential Provisions) Act 2000</i>	
<i>Workers Compensation and Injury Management Act 1981</i>	

SECTION 31(1) OF THE PUBLIC SECTOR MANAGEMENT ACT 1994

The Commission is committed to the continuous improvement of corporate governance. Existing controls and checks are considered sufficient to provide a reasonable assurance of compliance with State public sector ethical codes and human resource standards of merit, equity and probity. Auditing is conducted on a regular basis as part of the Commission's internal audit program. An application may be made for a breach of standards review at any time where the circumstances warrant. No such applications were received in the year under review.

PUBLIC SECTOR STANDARDS AND ETHICAL CODES

All Commission staff are expected to adhere to the Public Sector Commissioner's Instruction (Number 7) – Code of Ethics, with core values being personal integrity, accountability and maintaining respectful relationships that recognise the interests, safety and welfare of all clients and stakeholders.

These standards are reinforced in our *Code of Conduct* which forms part of our staff induction program and is regularly reinforced, including in the lead up to key electoral events. Access to Public Sector Commission ethical codes is available on the staff intranet.

CODE OF CONDUCT

The Commission reviewed its Code of Conduct during the reporting year. All staff are expected to be aware of and abide by the Code, which provides practical guidance on a range of ethical issues and reinforces the Commission's commitment to transparency, accountability, professionalism, respect, customer focus and collaboration. Internal procedures also govern the use of IT and financial resources, human resource matters, risk management and quality assurance.

All new staff, including casual election staff, receive a copy of the Code as part of their induction. Access to Public Sector Commission Instructions and the Code is also available on the staff intranet.

In the reporting period, no breaches of the Code or Public Sector Commissioner's Code of Ethics or were reported or evident. No Public Interest Disclosures were received.

SECTION 175ZE OF THE *ELECTORAL ACT 1907*

In compliance with Section 175ZE of the Electoral Act the Commission is required to report on expenditure incurred during the financial year in relation to advertising, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Being an election year, the total expenditure of \$ 2,617,873.69 was higher than in other years. Details are as follows:

	Amount	Expenditure	Amount
Advertising agencies	\$ 428,046.06	Marketforce Promo Select	\$ 361,182.06 \$ 66,864.00
Market research organisations	\$ 3,437.00	Perth Market Research	\$ 3,437.00
Polling organisations		Nil	
Direct Mail Organisations	\$ 1,161,367.34	Australia Post Quickmail T & C Couriers Toll Ipec Pty Ltd Toll Priority	\$ 456,082.54 \$ 16,815.88 \$ 5,062.50 \$ 679,988.00 \$ 3,418.42
Media advertising organisations	\$ 1,025,023.29	Adcorp Australia Limited Australian Paper State Law Publisher Fairfax Media Publications Optimum Media Decisions Sound Images West Australian Newspapers Ltd	\$ 115,462.78 \$ 598.20 \$ 12,053.69 \$ 3,556.00 \$ 799,873.93 \$ 61,374.09 \$ 32,104.60

RECORD KEEPING PLAN

The Commission is required to ensure records are created, maintained and disposed of in accordance with standards set by the State Records Commission. The Record Keeping Plan has been approved until August 2017 and the Retention and Disposal Schedule is currently under review.

As part of their induction program, new staff receive training on records management and record keeping obligations. Records management documents are available electronically through the Commission's Internet and document management system.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

The Commission is committed to providing and maintaining a safe and healthy workplace as stipulated in the Occupational Safety and Health Act and Regulations, the Public Sector Code Occupational Safety and Health Practice and the Workers' Compensation and Injury Management Act and Code of Practice.

The Commission's Occupational Safety and Health Committee, with employee and management representation, meets regularly to discuss and resolve any issues that may arise, to ensure a safe and healthy working environment for all employees.

Key activities that took place in 2016–17 include:

- Election of a staff OSH representative.
- Flu vaccinations made available to all staff at Commission expense.
- Ergonomic assessments for 12 Commission staff.
- An ongoing eyesight screening reimbursement program.
- Four injury reports managed through the Commission's support process.

INJURY MANAGEMENT

The Commission complies with the Injury Management requirements of the *Workers' Compensation and Injury Management Act 1981*. Employees are required to immediately report any accidents and injuries that happen in the workplace and staff are regularly updated on changes to procedures.

Period	2014-2015	2015-2016	2016-2017	Government target	Comment on result
Fatalities	0	0	0	0	
Lost time injury and/or disease incidence rate	0	0	1	0 or 10% reduction	(See note a)
Lost time injury and/or disease severity rate	0	0	0	0 or 10% reduction	

SUBSTANTIVE EQUALITY

The Commission is committed to the achieving Substantive Equality through tailoring our services to meet the diverse needs of the community. These principles were applied to provide special elector services to electors with a disability, Aboriginal and Torres Strait Island electors and culturally and linguistically diverse electors for the 2017 State election.

DISABILITY ACCESS & INCLUSION PLAN OUTCOMES

The Commission reviewed its Disability Access and Inclusion Plan during the reporting year. This involved advertising and community consultation, particularly with people with disability and advocacy groups. The Commission also informed itself of best practice at other electoral commissions and government agencies.

The new plan, supported by the Disability Services Commission, includes new and varied initiatives reflecting our commitment to meaningful access and inclusion opportunities and outcomes for people with disability.

OUTCOME 1:

People with disability have the same opportunities as other people to access our services and events.

- As described elsewhere in this report, changes to the Electoral Act enabled the introduction of technology assisted voting for the 2017 State election. These changes were developed in extensive consultation with people with disability and advocacy groups. Electors were able to register then vote over the internet using the iVote system, providing many people with disability with the opportunity to vote in secret for the first time. Feedback received indicates that these changes provided electors with a disability with a sense of empowerment, independence and equality in the electoral process.
- At the State election the Commission's mobile voting team visited 266 Special Institutions the majority of which comprised hospitals, aged or special care facilities, providing easier access for people with ill health or limited mobility.
- Electors with disability are also eligible to apply for registration as a general early voter, meaning that ballot papers are automatically sent to them after an election is announced.

OUTCOME 2:

People with disability have the same opportunities to access our offices and facilities.

- During major electoral and other events, additional signage is provided in the lobby of the Commission's head office and a concierge is available to assist.
- The Commission's central location in a modern building ensures it is accessible and meets legislative requirements.
- In making voting as convenient as possible the Commission assessed all early voting centres and all polling places for proximity to public transport, the provision of ACROD parking and wheelchair accessibility. This was then advertised accordingly. Every electoral district had at least one fully accessible polling place. Polling place managers were trained in how to set up a polling place to make it as easy as possible for people with a disability to navigate.

OUTCOME 3:**People with disability receive information from us in a format that will enable them to access the information as readily as other people**

- A number of brochures useful to people with disability were reviewed prior to the election including iVote (internet voting for people with disability), Enrolment and Voting for Families and Carers of People with a Cognitive Disability and Assistance for Electors at the State election.
- Polling places were supplied with a number of assistive tools including hard of hearing cards, hearing loops, magnifying sheets, triangular pencils, tablets with voting information and in some places Auslan interpreters.
- The Commission's elections website was tested before the election to ensure it was as accessible as possible for electors with disability.
- Ballot papers were colour coded for the election making them easier to separate and complete.

OUTCOME 4:**People with disability receive the same level and quality of service from our employees as other people receive.**

- Commission and casual staff were reminded in training sessions and through the application of the Commission's Code of Conduct of the requirement to treat all electors with respect and courtesy.
- The Commission was proactive during the election in interacting with electors. Polling place staff were trained to ensure polling places were accessible and were supplied with brightly coloured vests so they could be easily identified in polling places to electors who may need assistance.
- The Commission is committed to ongoing reporting of our plan in our Annual Report and to the DSC. A submission regarding iVote was invited and then presented to the 2016 National Disability Progress Report to COAG as an example of excellence.

OUTCOME 5:**People with disability have the same opportunities as other people to make complaints to us.**

- The Commission's website contains information on how to lodge a complaint (in a variety of ways), the process, timeframes and taking further action. Assistance is available to any person who wishes to make a complaint.
- The Commission has a dedicated Complaints Officer and for the State general election a Feedback team. The key focus of this team in managing complaints was customer focus, respect, timeliness and equality. Complaints from all sources made during the State general election were resolved promptly, beginning with an acknowledgement within one day.
- The Commission has an FOI Officer, PID Officer, Disability Access Officer, Grievance Officers and others who can address issues or complaints.

OUTCOME 6:**People with disability have the same opportunities as other people to participate in any public consultation**

- The Commission's consultation processes are open to all members of the public. In the reporting year the Commission directly consulted over 20 disability advocacy groups. This consultation was undertaken in the context of the development of internet voting system to ensure that it would be accessible and user friendly. Disability groups were also invited to assist the Commission to test the system during the development phase
- During the public consultation process the Commission endeavoured to provide sufficient notice of meetings and provide suitable venues and support as required.

OUTCOME 7:**People with disability have the same opportunities as other people to obtain and maintain employment with the Commission**

- The Commission employed people with disability during the State general election as part of its casual workforce and also as part of its contract and permanent staff. Such employees were advised that a range of roles, work modifications, flexible conditions and hours were available.
- The Commission is committed to a diverse workplace and ensuring equality of opportunity.

GOVERNANCE & OTHER FINANCIAL DISCLOSURES

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

FREEDOM OF INFORMATION

The Commission received no Freedom of Information applications during 2016–17.

CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interest had any interests in existing or proposed contracts with the Commission and senior officers.

PRICING POLICIES OF SERVICES PROVIDED

The Commission charges for its conduct of non-parliamentary elections, on a full cost recovery basis. Fees and charges were determined in accordance with 'Costing and Pricing Government Services' published by the Department of Treasury.

FINANCIAL STATEMENTS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Electoral Commission's performance, and fairly represent the performance of the Western Australian Electoral Commission for the financial year ended 30 June 2017.



David Kerslake

ELECTORAL COMMISSIONER

31 July 2017

KEY PERFORMANCE INDICATORS

GOVERNMENT GOAL

Result Based Service Delivery:
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

SERVICE

Provision of independent, impartial and efficient electoral services to electors of Parliament and other electoral clients.

DESIRED OUTCOME

Western Australian electors participate in independent and impartial elections or referenda conducted by the Commission as part of democratic processes.

Key Effectiveness Indicators		2013–14 Actual	2014–15 Actual	2015–16 Actual	2016–17 Actual	2016–17 Target	Variation
The number of relevant breaches of "Declaration by Officer" (Form 1) upheld by a Court of Disputed Returns		Nil	Nil	Nil	Nil	Nil	Nil ^(a)
Percentage eligible electors on the State Electoral Roll		88.40%	87.49%	88.60%	92.72%	91.00%	1.72% ^(b)
Percentage of enrolled electors voting in State Elections (or by-elections) or referenda	State General Election	n/a	n/a	n/a	86.60%	91.00%	-4.40% ^(c)
	By-election	n/a	82.58%	n/a	n/a	n/a	n/a ^(c)
	Referenda	n/a	n/a	n/a	n/a	n/a	n/a ^(c)
Average percentage of enrolled electors voting in local government ordinary postal election or referenda conducted by the Commission		27.80%	43.70%	27.30%	30.69%	n/a	n/a ^(d)

- (a) The number of relevant breaches of "Declaration by Officer" form is an indicator which reflects the Commission's objective of conducting independent elections.
- (b) The percentage of eligible electors on the state electoral roll is an indicator that provides a link to the Commission's objective of enabling electors to participate in the electoral process. There were 1,598,754 enrolled electors out of an estimated eligible population of 1,724,340 people as at 30 June 2017.
- (c) The indicator reflects actual percentage participated in state general election. There were 1,384,500 electors voted out of an actual enrolled population of 1,598,754 on 11 March 2017 State General Election. By-election has no target as the election only occurs when there is a resignation or death and this can not be predicted. Referenda also has no target as Cabinet did not plan to call a referendum.
- (d) There was no target set as there was no Local Government Election scheduled for FY 2016–17. The rates provided in FY 2016–17 actual is a key indicator of the Commission's effectiveness in enabling electors to participate in the local government extra-ordinary electoral process. Local government extra ordinary elections are erratic in nature and incongruent in participation percentage.

KEY PERFORMANCE INDICATORS – CONTINUED

Key Efficiency Indicators		2013–14 Actual	2014–15 Actual	2015–16 Actual	2016–17 Actual	2016–17 Target	Variation
Average Cost per Elector of Providing Electoral Services (Enrolment and Election Management)		\$4.81	\$5.23	\$5.32	\$5.76	\$5.08	\$0.68 ^(a)
Average Cost per Elector of Conducting State General Elections (or By-elections) or Referenda Events	State Election	\$0.67	n/a	n/a	\$11.01	\$11.74	-\$0.73 ^(b)
	By-election	n/a	\$13.23	n/a	n/a	n/a	n/a ^(b)
	Referenda	n/a	n/a	n/a	n/a	n/a	n/a ^(b)
Average Cost per Elector of Conducting Local Government Ordinary (or/and Extraordinary) Elections Conducted by the Commission		\$2.63	\$1.89	\$2.51	\$3.82	n/a	n/a ^(c)

Note: (a) The indicator reflects the fixed cost of maintaining readiness for any state elections and providing for any local government elections. Higher cost as compare to target and previous year figures is due to management and structural changes.

(b) The indicator reflects actual expenditure per elector incurred while conducting State Government Elections in 2016–17. Lower cost is due to number of enrolled electors exceeding targeted enrolled electors figure by 26,733. By-election has no target as the election only occurs when there is a resignation or death and this can not be predicted. Referenda also has no target as Cabinet did not plan to call a referendum.

(c) There was no target set as there was no Local Government Election scheduled for FY 2016-17. Extraordinary elections are conducted on a needs basis. This year, 11 extraordinary elections were conducted, of which 10 proceeded to election. Last year 8 extra-ordinary elections were conducted. The cost per elector figures for conducting elections has increased due to the average cost per elector in the rural region increasing from \$7.50 in the previous year to \$13.15 in the current year.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN ELECTORAL COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Western Australian Electoral Commission which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Electoral Commission for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant 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 statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Electoral Commissioner for the Financial Statements

The Electoral Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Electoral Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Electoral Commissioner is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Electoral Commissioner.
- Conclude on the appropriateness of the Electoral Commissioner'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 agency'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 statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Electoral Commissioner 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 Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Electoral Commission. The controls exercised by the Commission are those policies and procedures established by the Electoral Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Western Australian Electoral Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The Electoral Commissioner's Responsibilities

The Electoral Commissioner is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Electoral Commission for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Western Australian Electoral Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2017.

The Electoral Commissioner's Responsibility for the Key Performance Indicators

The Electoral Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Electoral Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Electoral Commissioner is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Electoral Commission for the year ended 30 June 2017 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
2 August 2017

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2017

The accompanying financial statements of the Western Australian Electoral Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2017 and the financial position as at 30 June 2017.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Peter Shimmings
Chief Finance Officer
31 July 2017



David Kerslake
Electoral Commissioner
31 July 2017

Statement of Comprehensive Income
For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	6.	15,493	6,065
Supplies and services	8.	8,247	4,016
Depreciation and amortisation expense	9.	265	254
Accommodation expenses	10.	2,111	1,705
Grants and subsidies	11.	4,277	-
Other expenses	12.	429	279
Total cost of services		30,822	12,319
Income			
<i>Revenue</i>			
Other revenue	14.	346	4,825
Total Revenue		346	4,825
Total income other than income from State Government		346	4,825
NET COST OF SERVICES		30,476	7,494
Income from State Government			
Service appropriation	15.	31,148	8,478
Services received free of charge	15.	69	39
Total income from State Government		31,217	8,517
SURPLUS/(DEFICIT) FOR THE PERIOD		741	1,023
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		741	1,023

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 30 June 2017

	Note	2017 \$000	2016 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	26.	2,237	1,441
Receivables	17.	368	141
Amounts receivable for services	18.	117	117
Prepayments	19.	174	-
Total Current Assets		2,896	1,699
Non-Current Assets			
Restricted cash and cash equivalents	16,26	13	-
Amounts receivable for services	18.	491	491
Prepayments	19.	6	-
Plant and equipment	20.	144	218
Intangible assets	21.	1,576	1,741
Total Non-Current Assets		2,230	2,450
TOTAL ASSETS		5,126	4,149
LIABILITIES			
Current Liabilities			
Payables	23.	203	51
Provisions	24.	944	869
Total Current Liabilities		1,147	920
Non-Current Liabilities			
Provisions	24.	160	151
Total Non-Current Liabilities		160	151
TOTAL LIABILITIES		1,307	1,071
NET ASSETS		3,819	3,078
EQUITY			
Contributed equity	25.	1,026	1,026
Accumulated surplus/(deficit)		2,793	2,052
TOTAL EQUITY		3,819	3,078

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the year ended 30 June 2017

	Note	Contributed equity \$000	Accumulated surplus/(deficit) \$000	Total equity \$000
Balance at 1 July 2015	25.	1,026	1,029	2,055
Surplus/(deficit)		-	1,023	1,023
Total comprehensive income for the period		-	1,023	1,023
Balance at 30 June 2016		1,026	2,052	3,078
Balance at 1 July 2016		1,026	2,052	3,078
Surplus/(deficit)			741	741
Total comprehensive income for the period		-	741	741
Balance at 30 June 2017		1,026	2,793	3,819

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		31,031	8,361
Holding account drawdown		117	117
Net cash provided by State Government		31,148	8,478
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(15,386)	(6,351)
Supplies and services		(8,140)	(4,042)
Accommodation		(2,178)	(1,695)
Grants and subsidies		(4,277)	-
GST payments on purchases		(1,397)	(590)
Other payments		(464)	(279)
Receipts			
Receipts from services		366	4,827
GST receipts on sales		34	486
GST receipts from taxation authority		1,129	133
Net cash provided by/(used in) operating activities	26.	(30,313)	(7,511)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(26)	(134)
Net cash provided by/(used in) investing activities		(26)	(134)
Net increase/(decrease) in cash and cash equivalents		809	833
Cash and cash equivalents at the beginning of the period		1,441	608
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26.	2,250	1,441

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Summary of Consolidated Account Appropriations and Income Estimates
For the year ended 30 June 2017**

	2017 Estimate \$000	2017 Actual \$000	Variance \$000	2017 Actual \$000	2016 Actual \$000	Variance \$000
<u>Delivery of Services</u>						
Item 34 Net amount appropriated to deliver services	25,803	25,803	-	25,803	7,144	18,659
Amount Authorised by Other Statutes						
- <i>Electoral Act 1907</i>	4,000	4,800	800	4,800	800	4,000
- <i>Industrial Relation Act 1979</i>	116	116	-	116	116	-
- <i>Salaries and Allowances Act 1975</i>	429	429	-	429	418	11
Total appropriations provided to deliver services	30,348	31,148	800	31,148	8,478	22,670
GRAND TOTAL	30,348	31,148	800	31,148	8,478	22,670
<u>Details of Expenses by Service</u>						
Electoral Services	30,568	30,822	254	30,822	12,319	18,503
Total Cost of Services	30,568	30,822	254	30,822	12,319	18,503
Less Total income	(104)	(346)	(242)	(346)	(4,825)	4,479
Net Cost of Services	30,464	30,476	12	30,476	7,494	22,982
Adjustments	(116)	672	788	672	984	(312)
Total appropriations provided to deliver services	30,348	31,148	800	31,148	8,478	22,670
<u>Capital Expenditure</u>						
Purchase of non-current physical assets	117	26	(91)	26	134	(108)
Adjustments for other funding sources	(117)	(26)	91	(26)	(134)	108
Capital appropriations	-	-	-	-	-	-

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 30 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2017 and between the actual results for 2017 and 2016.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Commission has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2017.

Note 2. Summary of significant accounting policies

(a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Commission's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(c) Reporting entity

The reporting entity comprises the Commission and there are no related bodies.

Mission

To provide all Western Australians with accessible, efficient and high quality electoral and enrolment services.

Services

Service provided by the Commission: Provision of impartial and efficient electoral services.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of roll products

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the Commission's bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the most recent determination, as quantified in the 2016-17 Budget Statements, the Commission retained \$346,065 in 2017 (\$1,023,120 in 2016) from the following:

- Sale of roll products; and
- Other departmental revenue (predominantly from the conduct of fee-for-service local government elections).

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(f) Plant and equipment

Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Plant and equipment are initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition of an asset, historical cost model is used for all plant and equipment. All other items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

Upon disposal or derecognition of an item of plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

- Plant and equipment 5 to 10 years
- Computer equipment 3 years.

(g) Intangible assets*Capitalisation/expensing of assets*

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Commission have a finite useful life and zero residual value.

The expected useful life for software^(a) is 15 years.

^(a) Software that is not integral to the operation of any related hardware.

Computer software

Software that is an integral part of the related hardware is recognised as plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

(h) Impairment of assets

Plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

(i) Leases

The Commission holds operating leases for head office accommodation and motor vehicles.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial instruments

In addition to cash, the Commission has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services.
- Financial Liabilities
 - Payables
 - Other liabilities.

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(k) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand which is subject to insignificant risk of changes in value.

(l) Accrued salaries

Accrued salaries (see note 23 'Payables') represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see notes 16, 26 'Restricted cash and cash equivalent') consist of amounts paid annually from Departmental appropriations for salaries expense, into a suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pays instead of the normal 26. No interest is received on this account.

(m) Amounts receivable for services (holding account)

The Commission receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

See also note 15 'Income from State Government' and note 18 'Amount Receivable for services'.

(n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See also Note 2(j) 'Financial Instruments' and note 17 'Receivables'.

(o) Payables

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

See also Note 2 (j) 'Financial Instruments' and note 23 'Payables'.

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

See note 24 'Provisions'.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Commission makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation*

Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the agency's obligations to the related superannuation liability.

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

See also note 2(q) 'Superannuation expense'.

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

See also Note 12 'Other Expenses' and note 24 'Provisions'.

(q) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(r) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current reporting period.

Note 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

Operating lease commitments

The Commission has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Intangible assets

A judgement has been made that the useful life of intangible assets (roll management system) will be 15 years based on historical evidence of the previous software system.

Note 4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Long Service Leave

Several estimations and assumptions used in calculating the Commission's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2016 that impacted on the Commission.

AASB 1057	<p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>
AASB 2014-3	<p><i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i></p> <p>The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.</p>
AASB 2014-4	<p><i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>
AASB 2014-9	<p><i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i></p> <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. As the Commission has no joint ventures and associates, the application of the Standard has no financial impact.</p>
AASB 2015-1	<p><i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i></p> <p>These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.</p>
AASB 2015-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>

AASB 2015-10

Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & 128

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.

Voluntary changes in accounting policy

There were no voluntary changes to the accounting policy.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The Commission's income is principally derived from appropriations which will be measured under AASB 1058 <i>Income of Not-for-Profit Entities</i> and will be unaffected by this change. However, the Commission has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Commission has discharged its performance obligations.</p>	1 Jan 2019
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$1,756,094. The Commission anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short-term or low-value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.</p>	1 Jan 2018

		Operative for reporting periods beginning on/after
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2015-8	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Commission has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019
AASB 2016-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.</p>	1 Jan 2018
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

Changes in accounting estimates

There were no changes in accounting estimates that will have an effect on the current reporting period.

Note 6. Employee benefits expense

	2017	2016
	\$000	\$000
Wages and salaries ^(a)	14,510	5,531
Superannuation - defined contribution plans ^(b)	983	534
	15,493	6,065

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component. The increase in the employee benefit expense is as a result of State Government Election 2017.

(b) Defined contribution plans include West State, Gold State, GESB and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 12 'Other Expenses'.

Employment on-costs liability is included at note 24 'Provisions'.

Note 7. Compensation of Key Management Personnel

The Commission has determined that key management personnel include the responsible Minister and senior officers of the Commission. However, the Commission is not obligated to compensate the responsible Minister and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*.

Total compensation for key management personnel, comprising the Commissioner and senior officers of the Commission, for the reporting period is presented within the following bands:

Compensation Band (\$)	2017	2016
320,001 - 330,000	1	
310,001 - 320,000		1
230,001 - 240,000	1	
210,001 - 220,000		1
170,001 - 180,000	2	
160,001 - 170,000		2
150,001 - 160,000	2	1
110,001 - 120,000		1
90,001 - 100,000		1
	\$000	\$000
Short-term employee benefits	1,099	1,103
Post-employment benefits	96	99
Other long-term benefits	31	27
Termination benefits	-	-
Total compensation of key management personnel	1,226	1,229

There is one less Key Management Personnel in FY 2016-17 as the Office of the Electoral Distribution Commissioners concluded in FY 2015-16.

No seniors officers are members of the Pension Scheme.

Note 8. Supplies and services

	2017	2016
	\$000	\$000
Communications	3,796	2,120
Consultants and contractors	3,043	1,433
Consumables	909	259
Travel	249	70
Other	250	134
	8,247	4,016

Note 9. Depreciation and amortisation expense

	2017	2016
	\$000	\$000
<u>Depreciation</u>		
Equipment	33	34
Computer hardware	67	55
Total depreciation	100	89
<u>Amortisation</u>		
Intangible assets	165	165
Total amortisation	165	165
Total depreciation and amortisation	265	254

Note 10. Accommodation expenses

	2017	2016
	\$000	\$000
Lease rentals	2,042	1,673
Repairs and maintenance	69	32
Total	2,111	1,705

Note 11. Grants and subsidies

	2017	2016
	\$000	\$000
<u>Recurrent</u>		
Grants (section 175LC of the Electoral Act 1907) ^(a)	4,277	-
Total	4,277	-

(a) As per section 175LC of the Electoral Act 1907 being grants paid to Political Parties and candidates who achieve more than 4% of the eligible preference votes recorded at the State General Election 2017.

Note 12. Other expenses

	2017	2016
	\$000	\$000
Audit fees ^(a)	50	46
Repairs and maintenance - computing	120	150
Other expenses	258	82
Employment on-cost ^(b)	1	1
Total	429	279

(a) Includes external audit fees incurred for this year. This amount might differ to the amounts recognised in note 32 'Remuneration of auditor'.

(b) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at note 24 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 13. Related Party Transactions

The Commission is a wholly-owned and controlled entity of the State of Western Australia. In conducting its activities, the Commission is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the Commission include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with Government-related entities

Significant transactions include:

- Service appropriation (Note 15);
- Service received free of charge from the State Solicitor Office, Landgate and Department of Finance (Note 15);
- Audit fee payment to Office of Auditor General (Note 12);
- Lease rentals payments to Department of Finance (Note 10);
- Grants - expenditure reimbursement to Political Parties (Note 11); and
- Joint rolls agreement payment to Australian Electoral Commission (Note 8 - Consultant and Contractors of \$1,175,233);
- Insurance Commission of Western Australia (Note 8 - Other of \$49,502);

Material transactions with other related parties

Significant transactions include:

- Superannuation payments to GESB (Note 6 - includes GESB of \$662,614);

The Commission had no material related party transaction with Minister/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

Note 14. Other revenue

	2017	2016
	\$000	\$000
Local Government Elections	-	4,378
Other Elections	326	428
Sale of Roll Products/General Revenue	20	19
	<u>346</u>	<u>4,825</u>

Note 15. Income from State Government

	2017	2016
	\$000	\$000
Appropriation received during the period:		
Service appropriation ^(a)	<u>31,148</u>	<u>8,478</u>
	<u>31,148</u>	<u>8,478</u>
Services received free of charge from other State government agencies during the period:		
Department of Finance - Building Management Works	19	19
Department of the Attorney General - Corporate Services	34	20
Landgate	16	-
	<u>69</u>	<u>39</u>
	<u>31,217</u>	<u>8,517</u>

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

Note 16. Restricted cash and cash equivalents

	2017	2016
	\$000	\$000
<u>Non-current</u>		
Accrued salaries suspense account ^(a)	<u>13</u>	<u>-</u>
	<u>13</u>	<u>-</u>

(a) Funds held in the suspense account for the purpose of meeting the 27th pay which is due to occur in FY 2027-28.

Note 17. Receivables

	2017	2016
	\$000	\$000
<u>Current</u>		
Receivables	-	38
Accrued revenue	18	-
GST receivable	350	103
Total current	<u>368</u>	<u>141</u>

The Commission does not hold any collateral or other credit enhancements as security for receivables.

Note 18. Amounts receivable for services (Holding Account)

	2017	2016
	\$000	\$000
Current	117	117
Non-Current	491	491
	<u>608</u>	<u>608</u>

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Note 19. Other assets

	2017	2016
	\$000	\$000
<u>Current</u>		
Prepayments	174	-
Total current	<u>174</u>	<u>-</u>
<u>Non-current</u>		
Prepayments	6	-
Total non-current	<u>6</u>	<u>-</u>
	<u>180</u>	<u>-</u>

Note 20. Plant and equipment

	2017	2016
	\$000	\$000
<u>Equipment</u>		
At cost	258	250
Accumulated depreciation	(183)	(157)
	<u>75</u>	<u>93</u>
<u>Computer Hardware</u>		
At cost	432	449
Accumulated depreciation	(363)	(324)
	<u>69</u>	<u>125</u>
	<u>144</u>	<u>218</u>

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out in the table below:

Reconciliations:

Equipment

Carrying amount at start of period	93	93
Additions	15	34
Depreciation	(33)	(34)
Carrying amount at end of period	<u>75</u>	<u>93</u>

Computer Hardware

Carrying amount at start of period	125	80
Additions	11	100
Depreciation	(67)	(55)
Carrying amount at end of period	<u>69</u>	<u>125</u>

Total

Carrying amount at start of period	218	173
Additions	26	134
Depreciation	(100)	(89)
Carrying amount at end of period	<u>144</u>	<u>218</u>

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Note 21. Intangible asset

	2017	2016
	\$000	\$000
<u>Computer software</u>		
At cost	2,469	2,469
Accumulated amortisation	(893)	(728)
	<u>1,576</u>	<u>1,741</u>
	<u>1,576</u>	<u>1,741</u>

Reconciliations:

Computer Software

Carrying amount at start of period	1,741	1,906
Amortisation expense	(165)	(165)
Carrying amount at end of period	<u>1,576</u>	<u>1,741</u>

Note 22 Impairment of assets

There were no indications of impairment to plant and equipment or intangible assets at 30 June 2017.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2017 have either been classified as assets held for sale or written-off.

Note 23. Payables

	2017	2016
	\$000	\$000
<u>Current</u>		
Accrued salaries	15	-
Accrued expenses	178	52
Trade payables	3	-
Other payables	7	(1)
Total current	<u>203</u>	<u>51</u>

See also Note 2(o) 'Payables' and Note 31 'Financial instruments'.

Note 24. Provisions

	2017	2016
	\$000	\$000
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	300	271
Long service leave ^(b)	631	586
	<u>931</u>	<u>857</u>
<i>Other provisions</i>		
Employment on-costs ^(c)	13	12
	<u>13</u>	<u>12</u>
	<u>944</u>	<u>869</u>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	158	149
	<u>158</u>	<u>149</u>
<i>Other provisions</i>		
Employment on-costs ^(c)	2	2
	<u>2</u>	<u>2</u>
	<u>160</u>	<u>151</u>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2017	2016
	\$000	\$000
Within 12 months of the end of the reporting period	266	241
More than 12 months after the end of the reporting period	34	30
	<u>300</u>	<u>271</u>

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2017	2016
	\$000	\$000
Within 12 months of the end of the reporting period	252	266
More than 12 months after the end of the reporting period	537	469
	<u>789</u>	<u>735</u>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from unwinding of the discount (finance cost), is disclosed in Note 12 'Other expenses'.

Movements in other provisions

	2017	2016
	\$000	\$000
Movements in each class of provisions during the period, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	14	13
Additional/(reversal of) provisions recognised	1	1
Carrying amount at end of period	<u>15</u>	<u>14</u>

Note 25. Equity

The Western Australian Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.

Contributed equity

	2017	2016
	\$000	\$000
Balance at start of period	1,026	1,026
Balance at end of period	<u>1,026</u>	<u>1,026</u>

Accumulated surplus/(deficit)

	2017	2016
	\$000	\$000
Balance at start of period	2,052	1,029
Result for the period	741	1,023
Balance at end of period	<u>2,793</u>	<u>2,052</u>
Total equity at end of period	<u>3,819</u>	<u>3,078</u>

Note 26. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017	2016
	\$000	\$000
Cash and cash equivalents	2,237	1,441
Restricted cash and cash equivalents (Note 16 'Restricted cash and cash equivalents')	13	-
	<u>2,250</u>	<u>1,441</u>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2017 \$000	2016 \$000
Net cost of services	(30,476)	(7,494)
<u>Non-cash items</u>		
Depreciation and amortisation expense	265	254
Services received free of charge	69	39
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	20	(2)
Current prepayments	(174)	
Non-current prepayments	(6)	
<u>Increase/(decrease) in liabilities</u>		
Current payables ^(a)	152	(433)
Current provisions	75	55
Non-current provisions	9	41
Net GST receipts/(payments) ^(b)	(248)	29
Change in GST in receivables/payables ^(c)	1	-
Net cash provided by/(used in) operating activities	(30,313)	(7,511)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

Note 27. Commitments

The commitments below are inclusive of GST.

Non-cancellable operating lease commitments

The Commission is an occupier of premises in Perth. The lessee for accommodation is The Honourable Minister for Works with the Department of Finance responsible for payment of all leases and associated costs to the lessors. The Commission reimburses the Department of Finance for lease payments and the cost of outgoings.

	2017 \$000	2016 \$000
Commitments for minimum lease payments are payable as follows:		
Motor vehicles		
Within 1 year	21	31
Later than 1 year and not later than 5 years	22	34
	43	65
	2017 \$000	2016 \$000
Accommodation		
Within 1 year	1,142	1,141
Later than 1 year and not later than 5 years	571	1,648
	1,713	2,789

The Commission had entered into a non-cancellable five-year property lease. The current lease arrangement starts from 1 December 2014 to 31 December 2018.

Note 28. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 30 June 2017.

Note 29. Event occurring after the end of the reporting period

There were no events occurring after the end of the reporting date that impact on the financial statements.

Note 30. Explanatory statement

All variances between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$246,386 for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$68,940 for the Statements of Financial Position.

	Variance Note \$000	Estimate 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between estimate and actual \$000	Variance between actual results for 2017 and 2016 \$000
Statement of Comprehensive Income						
(Controlled Operations)						
Expenses						
Employee benefits expense	A	15,762	15,493	6,065	(269)	9,428
Supplies and services	1,A	4,532	8,247	4,016	3,715	4,231
Accommodation expense	2,A	2,456	2,111	1,705	(345)	406
Depreciation and Amortisation expense		117	265	254	148	11
Grants and subsidies	3,B	4,000	4,277	-	277	4,277
Other expense	1	3,701	429	279	(3,272)	150
Total cost of services		30,568	30,822	12,319	254	18,503
Income						
Revenue						
Other revenue	C	104	346	4,825	242	(4,479)
Total Revenue		104	346	4,825	242	(4,479)
Total income other than income from State Government		104	346	4,825	242	(4,479)
NET COST OF SERVICES		30,464	30,476	7,494	12	22,982
Income from State Government						
Service appropriations	D	30,348	31,148	8,478	800	22,670
Services received free of charge		100	69	39	(31)	30
Total income from State Government		30,448	31,217	8,517	769	22,700
SURPLUS/(DEFICIT) FOR THE PERIOD		(16)	741	1,023	757	(282)

Major Estimate and Actual (2017) Variance Narratives

- 1) Supplies and services and other expenses budget variations of approximately \$3 million are due to the reclassification of supplies and services to other expenses in the estimates. The higher level expensed on supply and services is due to the development of the Internet Voting (iVote 2017) and the State General Election 2017.
- 2) Accommodation expense was under budget due to less polling place accommodation hired for the State General Election 2017.
- 3) Grants and subsidies exceeded the budget due to the reimbursement cost for the political funding being higher in 2017 in comparison to 2013. The budget of \$4 million was based on 2013 reimbursement cost.

Major Actual (2017) and Comparative (2016) Variance Narratives

- A) Employee benefits expense, supplies and services expense and accommodation expense have increased quite significantly in comparison to FY 2015-16 due to the State General Election 2017.
- B) The increase in grants and subsidies by \$4.3 million is mainly due to the reimbursement of political party expenditure to meet the 4% preferential threshold.
- C) The reduction in other revenue by \$4.5 million is due to no recoupable amounts generated by Biennial Local Government Ordinary Election in 2017.
- D) The increase in appropriation of \$22.7 million is mainly due to the additional funding for the State Government Election 2017.

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	Variance Note \$000	Estimate 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between estimate and actual \$000	Variance between actual results for 2017 and 2016 \$000
Statement of Financial Position						
(Controlled Operations)						
ASSETS						
Current Assets						
Cash and cash equivalent		574	2,237	1,441	1,663	796
Receivables		302	368	141	66	227
Amounts receivable for services		117	117	117	-	-
Prepayments	4,D	-	174	-	174	174
Total Current Assets		993	2,896	1,699	1,903	1,197
Non-Current Assets						
Restricted cash and cash equivalents		34	13	-	(21)	13
Amounts receivable for services		391	491	491	100	-
Prepayments		-	6	-	6	6
Plant and equipment	5,E	257	144	218	(113)	(74)
Intangible assets	5,E	1,772	1,576	1,741	(196)	(165)
Total Non-Current Assets		2,454	2,230	2,450	(224)	(220)
TOTAL ASSETS		3,447	5,126	4,149	1,679	977
LIABILITIES						
Current Liabilities						
Payables		276	203	51	(73)	152
Provisions	6F	803	944	869	141	75
Other	7	219	-	-	(219)	-
Total Current Liabilities		1,298	1,147	920	(151)	227
Non-Current Liabilities						
Provisions		108	160	151	52	9
Other		2	-	-	(2)	-
Total Non-Current Liabilities		110	160	151	50	9
TOTAL LIABILITIES		1,408	1,307	1,071	(101)	236
NET ASSETS		2,039	3,819	3,078	1,780	741
EQUITY						
Contributed equity		876	1,026	1,026	150	-
Accumulated surplus/(deficit)		1,163	2,793	2,052	1,630	741
TOTAL EQUITY		2,039	3,819	3,078	1,780	741

Major Estimate and Actual (2017) Variance Narratives

- 4) The actual has exceeded the estimates due to prepayments not being budgetted in the estimates.
- 5) The estimates have exceeded the actual as there has been six disposal assets during the financial year and also, the actual depreciation cost and amortisation cost are higher than the estimated depreciation cost.
- 6) The actual has exceeded the estimate due to less leave being taken during FY 2016-17 to prepare and manage the State General Election 2017 and continue with the preparation of the Local Government Election 2017 in October.
- 7) The estimate has exceeded the actual due to discrepancies of the reporting methodology within the estimates and the financial statement. The estimates represent the accrual transactions in which those accrual transactions are recognised in payables in the financial statement.

Major Actual (2017) and Comparative (2016) Variance Narratives

- D) The increase in prepayments is due the prepaid IT licences in FY 2016-17 and there was no prepayments in FY 2015-16.
- E) The reduction in plant and equipment and intangible asset is due to the increase in the depreciation cost and amortisation cost.
- F) The increase in provisions is due to less leave taken during the FY 2016-17, in order to prepare and manage the State Government Election 2017 and continue with the preparation of Local Government Election 2017 in October.

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	Variance Note \$000	Estimate 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between estimate and actual \$000	Variance between actual results for 2017 and 2016 \$000
Statement of Cash Flows						
(Controlled Operations)						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	G	30,264	31,031	8,361	767	22,670
Holding account drawdown		117	117	117	-	-
Net cash provided by State Government		30,381	31,148	8,478	767	22,670
CASH FLOW FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	H	(15,762)	(15,386)	(6,351)	376	(9,035)
Supplies and services	8,H	(4,236)	(8,140)	(4,042)	(3,904)	(4,098)
Accommodation	9,H	(2,456)	(2,178)	(1,695)	278	(483)
Grants and subsidies	10,I	(4,000)	(4,277)	-	(277)	(4,277)
GST Payment on purchases	11,J	-	(1,397)	(590)	(1,397)	(807)
Other payments	8	(3,980)	(464)	(279)	3,516	(185)
Receipts						
Sale of goods and services	12,K	-	366	4,827	366	(4,461)
GST receipts on sales		170	34	486	(136)	(452)
GST receipts from taxation authority	13,L	-	1,129	133	1,129	996
Net cash provided by/(used in) operating activities		(30,264)	(30,313)	(7,511)	(49)	(22,802)
CASH FLOW FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		(117)	(26)	(134)	91	108
Net cash provided by/(used in) investing activities		(117)	(26)	(134)	91	108
CASH FLOW FROM FINANCING ACTIVITIES						
Net cash provided by/(used in) financing activities		-	-	-	-	-
Net increase/(decrease) in cash and cash equivalent		-	809	833	809	(24)
Cash and cash equivalent at the beginning of the period		608	1,441	608	833	833
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD		608	2,250	1,441	1,642	809

Major Estimate and Actual (2017) Variance Narratives

- 8) Supplies and services and other payments budget variations of approximately \$3 million are due to the reclassification of supplies and services to other expenses in the estimates. The higher level payments on supply and services are due to the development of the Internet Voting (iVote 2017) and the State General Election 2017.
- 9) Accommodation payments were under budget due to less polling place accommodation hired for the State General Election 2017.
- 10) Grants and subsidies payments exceeded the budget due to the reimbursement cost for the political funding being higher in 2017 in comparison to 2013. The budget of \$4 million was based on 2013 reimbursement cost.
- 11) There is no allocation for GST payment on purchases in the budget.
- 12) The actual exceeded the budget as no extraordinary and non-parliamentary elections were budgetted for in FY 2016-17.
- 13) There is no allocation for GST receipts on sales in the budget.

Major Actual (2017) and Comparative (2016) Variance Narratives

- G) Refer to (D).
- H) Payments for employee benefits, supplies and services and accommodation have increased significantly in comparison to FY 2015-16 due to the State General Election 2017.
- I) The increase in grants and subsidies payment by \$4.3 million is due to the reimbursement of political party expenditure to meet the 4% preferential threshold.
- J) The increase in GST payment on purchases by \$0.8 million is due to the significant increase on purchases in preparation and management of the State General Election 2017.
- K) The reduction in other receipt by \$4.5 million is due to no recoupable amounts generated by Biennial Local Government Ordinary Election in 2017.
- L) The increase in GST receipts from taxation authority of \$0.1 million due to the higher GST payment on purchases for the conduct of the State General Election 2017, which impacted on the higher GST receipt from taxation authority.

Note 31. Financial instruments**(a) Financial risk management objectives and policies**

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 31 (c) 'Financial instruments disclosures' and Note 17 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2017 \$000	2016 \$000
<u>Financial Assets</u>		
Cash and cash equivalents	2,237	1,441
Restricted cash and cash equivalents	13	-
Receivables ^(a)	626	646
Prepayment	180	-
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	203	51

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

Note 31. continued

(c) Financial instrument disclosures

Credit risk

The following table details the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

	Ageing analysis of financial assets						
	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
	\$000	\$000	Up to 1 month	1 - 3 months	3 months to 1 year	1-5 years	More than 5 years
			\$000	\$000	\$000	\$000	\$000
2017							
Cash and cash equivalents	2,237	2,237	-	-	-	-	-
Restricted cash and cash equivalents	13	13	-	-	-	-	-
Receivables ^(a)	18	18	-	-	-	-	-
Amounts receivable for services	608	608	-	-	-	-	-
Prepayment	180	180	-	-	-	-	-
	3,056	3,056	-	-	-	-	-
2016							
Cash and cash equivalents	1,441	1,441	-	-	-	-	-
Receivables ^(a)	38	38	-	-	-	-	-
Amounts receivable for services	608	608	-	-	-	-	-
	2,087	2,087	-	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Note 31. continued

Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	Interest rate exposure				Nominal Amount \$000	Maturity Dates				
		Carrying Amount \$000	Fixed Interest rate \$000	Variable Interest rate \$000	Non- Interest Bearing \$000		Up to 1 month \$000	1 - 3 months \$000	3 months to 1 year \$000	1 - 5 years \$000	More than 5 years \$000
2017											
Financial Assets											
Cash and cash equivalents	-	2,237	-	-	2,237	2,237	2,237	-	-	-	-
Restricted cash and cash equivalents	-	13	-	-	13	13	13	-	-	-	-
Receivables ^(a)	-	18	-	-	18	18	18	-	-	-	-
Amounts receivable for services	-	608	-	-	608	608	608	-	-	-	-
Prepayment	-	180	-	-	180	180	180	-	-	-	-
	-	3,056	-	-	3,056	3,056	3,056	-	-	-	-
Financial Liabilities											
Payables	-	203	-	-	203	203	203	-	-	-	-
	-	203	-	-	203	203	203	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	Interest rate exposure				Nominal Amount	Maturity Dates				
		Carrying Amount	Fixed Interest rate	Variable Interest rate	Non- Interest Bearing		Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2016											
Financial Assets											
Cash and cash equivalents	-	1,441	-	-	1,441	1,441	1,441	-	-	-	-
Receivables ^(a)	-	38	-	-	38	38	38	-	-	-	-
Amounts receivable for services	-	608	-	-	608	608	608	-	-	-	-
	-	2,087	-	-	2,087	2,087	2,087	-	-	-	-
Financial Liabilities											
Payables	-	51	-	-	51	51	51	-	-	-	-
	-	51	-	-	51	51	51	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Interest rate sensitivity analysis

None of the Commission's financial assets and financial liabilities at the end of the reporting period are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the Commission's surplus or equity.

Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Note 32 Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2017 \$000	2016 \$000
Auditing the accounts, controls, financial statements and key performance indicators	50	47
	<u>50</u>	<u>47</u>

Note 33. Related bodies

The Commission had no related bodies during the financial year.

Note 34. Affiliated bodies

The Commission had no affiliated bodies during the financial year.

Note 35. Special Purpose Account**Nomination Fees ^(a)**

The purpose of the account is to hold monies received by returning officers of the Western Australian Electoral Commission pursuant to section 81(1)(b) of the *Electoral Act 1907*.

The Commission is responsible for collection of election candidate nomination fees. These fees are paid directly to the Consolidated Account or refunded to candidates.

	2017 \$000	2016 \$000
Balance at the start of the period	-	-
Receipts	179	-
Payments	(179)	-
Balance at the end of the year	<u>-</u>	<u>-</u>

(a) Established under section 16(1)(d) of FMA

Note 36. Supplementary financial information**(a) Write-offs**

During the year there were no write-offs.

(b) Losses through theft, defaults and other causes

During the year there were no thefts or defaults.

(c) Gift of public property

During the year there were no gift of public property.