



WESTERN AUSTRALIAN  
Electoral Commission



Western Australian Electoral Commission

# Annual Report 2015–2016

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# STATEMENT OF COMPLIANCE

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## Letter of Transmittal

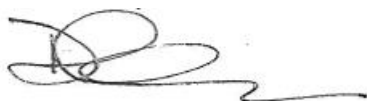
The Hon. Peter Collier MLC  
Minister for Electoral Affairs  
10th Floor, Dumas House  
Havelock Street  
WEST PERTH WA 6005

Dear Minister

## Western Australian Electoral Commission Annual Report 2015–16

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 2016.

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



**David Kerslake**  
**ELECTORAL COMMISSIONER**

September 2016

# FOREWORD

Looking forward to the next election, the Commission has been monitoring trends at the 2016 Federal election, such as the increase in early voting, to ensure that we are responsive to change and prepared for any eventuality.



I am pleased to present the Western Australian Electoral Commission annual report for 2015–16.

The past year was an eventful one in a number of respects. Highlights were the successful conduct of the 2015 Local Government elections; the implementation of key electoral reforms; and commencement of an Internet voting system for people with disabilities.

In October 2015 the Commission was responsible for conducting mayoral and/or councillor elections in 88 of the State's local councils. This was a substantial undertaking, with election packages sent to well over 1.3 million electors throughout the State. Stakeholder feedback on the conduct of the elections was overwhelmingly positive. The Commission has put forward for consideration the conduct of Internet voting trials at future Local Government

elections, to provide an alternative for electors especially in more remote areas where the ability to vote by post can be compromised by delivery delays.

As one of three members of the Western Australian Distribution Commission, one of my key personal responsibilities during the year was to assist with the review of electoral districts for the Western Australian Parliament. Commission staff provided administrative support for this process. All but six Legislative Assembly districts were altered to one degree or another, reflecting continuing change in the size and distribution of the State's population. The new electoral boundaries will be applied at the March 2017 State general election.

I wish to record my appreciation of the responsiveness of the Western Australian Government and Parliament to my recommendations for electoral reform.

As a result of recent changes to electoral laws, at future State elections Western Australians will have the right to vote early as a matter of choice instead of having to satisfy particular eligibility requirements. The Commission has also been authorised to deploy electronic voting options, in particular Internet voting, for any elector with a disability which would require them to seek assistance to fill out a ballot paper and thus deny them a secret vote.

In last year's annual report I highlighted the downward trend in electoral participation, particularly within the 18–25 year age group. A few years ago, in an attempt to address this decline, the Federal government introduced a system of direct enrolment allowing reliable data sources to be used to enrol citizens directly upon turning 18 and to update their enrolment details whenever they change address. In the ensuing period the absence of corresponding Western Australian legislation gave rise to a significant disparity between the Federal and State rolls. That issue has now been addressed with the introduction of legislation to allow direct enrolment at State level. This will make for a more complete and accurate State electoral roll with the immediate addition of thousands of Western Australians who are currently enrolled only for Federal election purposes.

The Commission has implemented major changes to its election operations systems since the last election, which will now be augmented by the development of the Internet voting system for use by people with disabilities. Every system will be rigorously tested in readiness for March 2017. The Commission will continue in its efforts to improve the electoral system by taking advantage of cutting edge technology, with a priority placed on facilitating increased participation by making the voting process more accessible and more modern in the eyes of electors.

To increase participation, the Commission has also continued its efforts to engage with future electors through our Electoral Education Centre, which has conducted a busy annual program of school visits. The Commission took the opportunity during the year to review our education programs, which remain relevant and interesting in the context of the school curriculum.

Once again I am indebted to the all of the Commission's staff whose dedication to competent and impartial electoral administration is clear for all to see. We will continue to strive to promote public trust in the integrity of Western Australia's electoral system.



**David Kerslake**  
**ELECTORAL COMMISSIONER**

# OVERVIEW OF AGENCY



# OVERVIEW OF THE AGENCY

## Our purpose

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

## Our values

### Independence

How we are perceived by others: We act at all times with integrity, independence, impartiality and transparency.

### Professionalism

How we go about our work: We work to the highest standards by being ethical, accurate, reliable and efficient.

### Respect

How we treat others and expect to be treated: We focus on being courteous, honest and fair in all our dealings.

### Custom Focus

How we deliver our services: We strive to understand customers' needs, honour our commitments and build effective relationships.

### Continuous Improvement

How we move forward and work better: We continually review our systems and practices with a strong emphasis on innovation

### Teamwork

How we work together and in collaboration with others: We build a positive work environment and successful relationships through teamwork and cooperation.

## Who we are

The Western Australian Electoral Commission is an independent body responsible for the impartial conduct of elections and polls as part of Western Australia's democratic process. The Commission employs 50 staff and has an average annual budget of around \$8 million in a non-election year.

## What we do

The Commission's primary roles are to conduct elections, maintain the electoral roll and raise public awareness of electoral matters, promoting trust by Western Australians in the competent and impartial conduct of all electoral events.

## Indicators of our performance

- Annual certification of our KPIs by the Auditor General
- Maintaining ISO certification of our election management systems and processes
- Feedback from staff, clients and stakeholders
- Achievement of targets set down in annual operational and branch plans
- The timeliness and cost effectiveness of our services

# EXECUTIVE SUMMARY

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In addition to statutory responsibility for State parliamentary elections and local government elections conducted by postal ballot, the Commission is entrusted with maintaining the State electoral roll and delivering electoral education and awareness services to the community. The Commission is also authorised to enter into agreements to conduct elections and ballots for private organisations on a fee for service basis.

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

## Executive Branch

This branch comprises the Electoral Commissioner, Deputy Commissioner and support staff, responsible for the Commission’s overall management, corporate communications and strategic direction.

## 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 key human resource, financial, records, stores, policy development and training 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

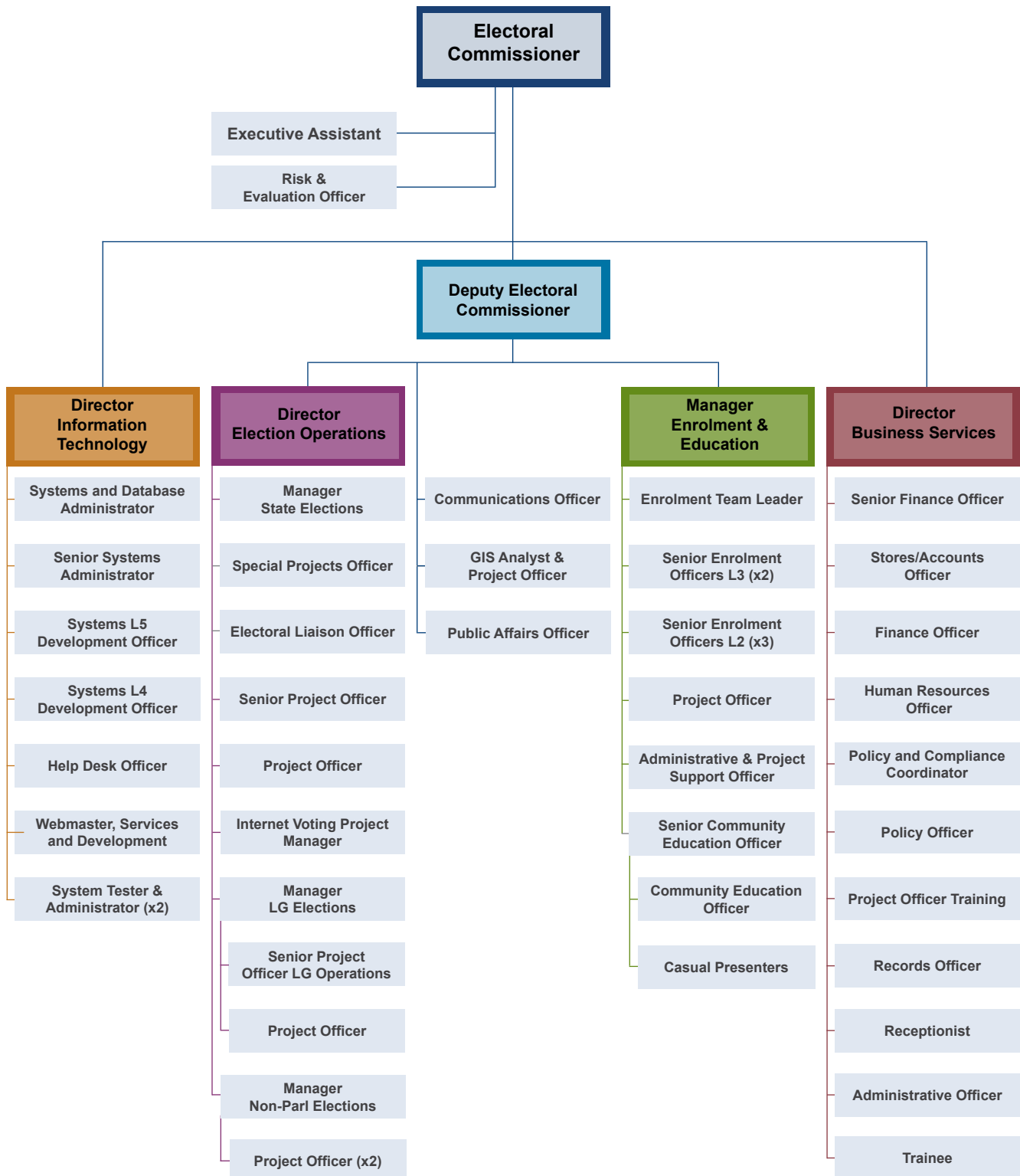
The Information Technology branch provides day to day technology related support for all branches within the Commission, including planning, maintaining and securing the desktop, server and communications infrastructure. It also plays a critical role in maintaining and upgrading the Commission’s election systems as well as supporting third party products and services and providing information technology advice to the Commission.

## Office of the Distribution Commissioners

The boundaries of Western Australia’s electoral districts and regions must be reviewed every four years, in time for the next State election. The Office continued to provide support for the independent Distribution Commissioners up until the finalisation of the distribution process in December 2015.



# ORGANISATIONAL CHART



# GOVERNANCE ARRANGEMENTS

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## Our Commissioner

The Electoral Commissioner David Kerslake took up his appointment in September 2014, having previous electoral experience as Electoral Commissioner for Queensland and Assistant Commissioner with the Australian Electoral Commission. David has also served in independent statutory roles as Health Complaints Commissioner in both Western Australia and Queensland and a period as Acting Tasmanian Ombudsman.

## Executive Management

Executive management of the Commission is undertaken by the Corporate Executive which consists of the Electoral Commissioner, Deputy and managers of the Business Services, Information Technology, Election Operations and Enrolment branches. The Executive meets fortnightly, except in the immediate lead-up to a State general election when meetings alternate with the State Election Management Committee which oversees the planning of major electoral events.

Executive management is assisted by two other committees which also meet at regular intervals. The Audit and Risk Management Committee, as the name suggests, is responsible for assessing and managing key risks associated with Commission activities, especially key election operations, approving and monitoring the outcome of the annual internal audit program and responding to any recommendations arising

from annual Auditor General reports. As part of its skills development program the Commission has a number of staff trained in the conduct of internal audits. The Quality Management Review Committee also meets regularly to monitor the Commission’s quality management system, ensuring that critical functions meet international quality assurance standards and that internal Commission policies remain relevant and are clearly communicated to all who work at the Commission.

## Decision Register

During the year the Commission established a central Decision Register to consolidate and record decisions taken by the above committees, ensuring consistency in decision making and facilitating internal communication. Through the Commission’s intranet, staff are also able to share information about activities and projects and make suggestions for improvements to management practices and procedures.

## 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.

# THE YEAR IN REVIEW

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In the course of the past year the Commission conducted a combined total of 124 elections. All were for local governments or private organisations. These elections were contested by approximately 1,500 candidates, with well over 450,000 ballot papers counted in total. Of particular note, postal ballots for 88 Local Government elections in October 2015, were the highest number of such elections the Commission has ever conducted.

Other highlights were the review of the Commission’s organisational structure, consolidating operational resources in a single Election Operations Branch to achieve greater efficiencies; the Distribution Commissioners’ completion of the review of State electoral boundaries in readiness for the 2017 State general election; and the acceptance of a number of recommended electoral reforms.

In preparation for the March 2017 State election, Commission staff also commenced planning for 72 election projects and appointed Returning Officers for all electoral districts and Upper house regions.

Through its Electoral Education Centre the Commission conducted approximately 550 electoral education sessions for primary and secondary students catering for almost 36,000 students. The Centre also assisted with the conduct of 78 student council elections, promoting the importance of democratic processes, and electoral awareness programs for 656 adults mainly from Culturally and Linguistically Diverse (CaLD) backgrounds.

The Commission was also an active participant in working parties established by the Electoral Council of Australia and New Zealand (ECANZ) which saw substantial collaboration on ballot security projects, education and awareness strategies and sharing of hardware and software solutions. Such activities have now been brought together under a single umbrella with the combining of previously separate ECANZ and State and Territory Electoral Commissioners bodies.

## Recommendations for Legislative Change

In accordance with the Electoral Act the Electoral Commissioner has the authority to provide advice on electoral matters to the Parliament and the Government. In the course of the year the Commission made a number of recommendations aimed at increasing elector participation and making the election process more accessible for particular elector categories. As at the end of the reporting period legislative amendments arising from these recommendations had been endorsed by the Legislative Council and were being reviewed by the Legislative Assembly.

In Direct enrolment	
<p>The Electoral Commissioner recommended that State enrolment procedures reflect the Commonwealth's direct enrolment provisions</p>	<p>Western Australia is one of only two Australian jurisdictions that has not made provision for the direct or 'automatic' enrolment of electors. Since 2012 the Australian Electoral Commission has had the power, using reliable data sources, to directly register electors on the Commonwealth electoral roll when they turn 18 and to update their details automatically whenever they change address. In the absence of a corresponding provision in Western Australia's Electoral Act, many electors currently enrolled for Federal purposes remain ineligible to vote in State elections because they have not taken the necessary action themselves, leading to a substantial divergence between the respective rolls. With the passage of the recommended amendment, in the vicinity of 170,000 electors will be able to be added to the State roll.</p>
Early voting	
<p>The Electoral Commissioner recommended the removal of the eligibility requirements for early voting to better reflect modern lifestyles, work patterns and elector preferences</p>	<p>The Electoral Act currently limits eligibility to vote early to those who cannot attend a polling place on Election Day. A proposed amendment will remove these restrictions.</p>
Internet voting	
<p>The Electoral Commissioner recommended that Internet voting be made available as a voting option for people with disabilities, electors in remote areas and electors living or travelling interstate or overseas.</p>	<p>Many electors with disabilities are denied access to a secret vote through their reliance on assistance in filling out a ballot paper. Other electors are disadvantaged if they happen to be out of the State when an election is held in places where a postal vote would not be received by the Commission in time to be admitted to the count. The timeliness and reliability of postal services is also diminishing in remote parts of the State.</p> <p>The Parliament is currently considering an amendment which will enable people with disabilities to vote via the internet and has indicated a willingness to consider other recommended changes in future.</p>

# THE YEAR AHEAD

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The most significant issue for the Commission in the year ahead will be the sheer scale of election activity. The conduct of a general election is one of the biggest peace-time events that take place in Western Australia. Demands on the Commission's resources and expertise will be compounded by the passage of electoral reforms referred to earlier in this report – in particular the development of a secure Internet voting facility – and increased emphasis on ballot security.

Effective training is an ongoing challenge with the expectation that over 8,000 temporary State election officials will be experts in their trade despite being employed for only one day.

The March 2017 State election will be followed in October by elections for all Western Australian Local Governments, the vast majority of which will also be conducted by the Commission. This will pose challenges for both election operations and public participation.

Other key challenges for the Commission in the year ahead include:

- Working collaboratively with peak bodies to promote awareness of and maximise access to electronic voting options for people with disabilities
- Maintenance of an accurate and complete electoral roll taking maximum advantage of new direct enrolment provisions
- Shared research with local universities in relation to youth enrolment and participation
- Promoting higher levels of electoral participation by indigenous and CaLD groups
- Maximising the use of social media to engage with younger electors
- Continued pursuit of the modernisation of Western Australian elections, embracing modern technology, promoting legislative reform as appropriate and contributing to electoral research and development both unilaterally and through the Electoral Council of Australia and New Zealand
- Transparent and timely reporting of election activities and stakeholder feedback through our State and Local Government election reports
- Working collaboratively with individual donors, candidates and political parties to assist their understanding of and compliance with financial disclosure laws.

## Significant issues impacting on the agency

The most significant issues impacting upon the Commission in the longer term are succession planning; documenting operational knowledge and experience that has been built up over many years; and the need for a complete re-write of electoral laws in simple, modern language to make them easier to understand and apply.

# AGENCY PERFORMANCE



# THE COMMISSION’S CORE BUSINESS

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## Output 1: Election Management

Objective

To conduct elections efficiently and effectively in compliance with applicable legislation, regulations or rules.

Strategies

- Apply effective project management practices to the conduct of all elections
- Continually review and evaluate electoral legislation, regulations, policies and practices
- Apply innovative systems and practices to deliver improved customer services and operational efficiencies
- Incorporate customer and stakeholder feedback in all election planning and review processes

## Output 2: Electoral Roll Management

Objective

To maintain the integrity of the State electoral roll and improve enrolment participation.

Strategies

- Engage with Western Australians to promote and increase enrolment participation
- Continually increase the level of enrolment and improve roll maintenance policies and procedures
- Ensure quality and compliance requirements are met with all roll products and services
- Maximise direct enrolment opportunities in collaboration with the Australian Electoral Commission

## Output 3: Electoral Awareness & Engagement

Objective

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

Strategies

- Be innovative and progressive in promoting community awareness and understanding of electoral services and elector obligations
- Conduct effective education programs to improve electoral awareness and participation
- Actively advocate the importance and value of democratic processes and participation
- Make maximum use of the opportunities afforded by new social media



## Summary of Key Results and Performance

What we set out to do	What we achieved
Prepare effectively for the next State election.	<p>Completed detailed reviews and actioned all recommendations stemming from the 2013 State general election and 2014 Vasse by-election.</p> <p>Initiated the project management framework for the 2017 general election, including appointing project leaders and managers across all election projects.</p> <p>Supported the development and introduction into the Parliament of an Electoral Amendment Bill aimed at improving enrolment and electoral outcomes for voters and candidates at State elections.</p>
Conduct efficient and cost-effective elections for local governments.	<p>Successfully conducted the most ever ordinary elections in October 2015 for 88 local governments – 82 postal and 6 in person elections. Collectively these elections covered 96% of the State's eligible electors.</p> <p>Conducted eight extraordinary postal elections, ranging from the Town of Port Hedland in the north to the Shire of Denmark in the south.</p>
Efficiently conduct elections for a diverse mix of union and fee-for-service organisations.	<p>Conducted elections and polls to a high standard for 28 organisations, including unions, private or public sector boards and various community organisations.</p> <p>Assisted a number of organisations with the review and redrafting of their election rules in accordance with best practice standards, promoting confidence in the integrity and reliability of our election services.</p>
Continue to improve our electoral systems, procedures, services and governance arrangements.	<p>Completed the planned program of internal audits and maintained certification of our Quality Management System to ISO standards through an external audit by BSI.</p> <p>Initiated system and capacity enhancements across a range of our election related IT applications to incorporate improvement recommendations or technological developments.</p>

## Summary of Key Results and Performance

What we set out to do	What we achieved
Maintain the State electoral roll, provide quality roll products and enhance enrolment processes.	<p>Provided a total of 138 residents rolls to local government clients for individual elections, polling, boundary or ward reviews, on time and to a high standard of accuracy.</p> <p>Efficiently provided the Sheriff with jury lists for each of the 16 jury districts as well as roll products to Members of Parliament and other eligible clients.</p> <p>Prepared for 12 local government amalgamations or boundary changes.</p>
Increase community awareness of and participation in electoral processes through effective education and public information programs.	<p>Conducted electoral education visits to 370 schools as well as hosting visits by a further 25 groups, with a total of 36,669 individual students participating in Electoral Education Centre programs.</p> <p>Conducted electoral awareness activities and a consultative forum for CaLD community groups in conjunction with OMI, and participated in a range of other community events to promote electoral awareness.</p>
Maximise use of cutting edge technology.	<p>Commenced development of a system of electronically assisted voting that complies with proposed amendments to the Electoral Act.</p> <p>Enhanced our enrolment and election management systems, including the use of online portals by returning officers.</p>

# REPORTS OF OPERATIONS OUTPUTS & RESULT AREAS



# OUTPUTS & RESULTS

## OUTPUT 1 ELECTION MANAGEMENT

The conduct of ordinary elections for 88 local governments represented the main electoral activity during the reporting period. From July 1 2015 the focus shifted from preparation to the operational management of the 17 October 2015 local government elections. Planning for the 2017 State general election also continued in earnest.

### 2015 Local Government Elections

The *Local Government Act 1995* allows local governments to make the Electoral Commissioner responsible for their elections subject to the Commissioner’s agreement. The number of local governments taking up this option makes local government elections a major element of the Commission’s overall workload every two years.

Local government authorities have realised the following benefits from engaging the Commissioner to conduct its elections:

- ensuring best practice standards are applied because conducting elections is the Commission’s core business activity
- actual and perceived impartiality and independence
- access to experienced electoral professionals and advanced election systems
- allows local government staff to attend to their daily business, rather than being diverted by electoral and dispute resolution matters.

Eighty-two of Western Australia’s 138 local governments requested the Electoral Commissioner to be responsible for the conduct of their elections and that those elections be conducted as postal ballots. A further six local governments requested the Electoral Commissioner conduct their elections as voting in person elections.

The overall number of electors represented by these 88 districts was 1,433,575 or 96.1% of the State’s total enrolment. A total of 1,021 candidates nominated contested these elections. It is pleasing to report a continuing increase in the number of female candidates, 32% in these elections.

### Improvements

A web-based version of the Commission’s Election Management System (EMSWA) portal was created for use by the Returning Officers and local government staff outside the Commission. The Commission also implemented enhancements to its nomination system for the convenience of candidates. Online training modules were developed for the training of Returning Officers in addition to face-to-face sessions.

## State election preparations

Extensive planning occurred during the reporting period in preparation for the 2017 State General Election, due on 11 March 2017.

Significant changes have focused on increasing the opportunity for electors who are blind or have low vision to vote independently; increasing the use of technology online and in polling places to improve service delivery; and planning for an anticipated increase in early voting. The Commission will also be expanding the use of laptop computers for the issue of early and absent votes.

## Fee-for-Service

The Commission's non-parliamentary section conducted 28 electoral events for union and private organisations and provided extensive advice to private organisations on best practice in relation to election rules.

## Assistance to Other Electoral Authorities

Under reciprocal arrangements with its counterparts in other jurisdictions, in the course of the year the Commission provided support for the conduct of events held in Queensland, Victoria and Tasmania.

# OUTPUT 2

## ELECTION MANAGEMENT

It is pleasing to report a net increase of 42,959 in the total State enrolment during the reporting period, from 1,477,060 to 1,520,019. The number of silent electors registered increased by 7.6% to 17,969 compared with an overall roll increase of 2.9%. The number of general early voters (those who are automatically sent a post vote) increased by 6.4% to 31,256.

The total State enrolment will also receive a significant boost when new direct enrolment provisions come into force in August 2016.

Electoral rolls were produced for 138 local government elections and 13 local government extraordinary elections. The Enrolment section moved to a computer based mapping system rather than relying on paper maps. This has proved very worthwhile and as new homes are built the map coordinates for each of them are entered into the system to keep it up to date.

As required by the Electoral Act, the Commission continued to provide monthly updates of the electoral roll to Members of Parliament and parliamentary parties. The Commission also provided the Sheriff with up to date lists of prospective jurors for each jury district.



## OUTPUT 3

### ELECTORAL AWARENESS AND ENGAGEMENT

The Commission conducts a wide range of electoral education and awareness programs aimed at maximising participation in Western Australian democracy.

The Electoral Education Centre was opened in 1992 and continues to be the only such centre operated by a State electoral body in Australia. Throughout the year the Centre provided numerous presentations to school and TAFE groups, both within the centre and through our school visits program.

Altogether a total of 36,669 individuals took part in a Commission education program. Feedback from participants was overwhelmingly positive:

- 60.96% rated the Centre's programs as extremely effective in meeting necessary educational outcomes
- 39.04% rated the Centre's programs as very effective
- No negative feedback was received.

Staff at the Education Centre also assisted in the conduct of 78 School council elections in which a total of almost 18,000 students voted. Students place greater value on their elections when they see them conducted by an independent authority. The experience also helps to de-mystify the voting process, helping to prepare young people to participate in parliamentary elections in future.

The Education Centre also participated in a Joint Civics Education program with the Constitutional Centre of Western Australia including a consultative forum involving different CALD groups.

During the year the Commission also collaborated with Public Relations students at Curtin University to review the WAEC "brand" and to look at ways of better engaging with electors in the 18–25 year age group. The Commission is pleased that arising out of that project, internships will be offered to a number of students.



# KEY RESULT AREA 1

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## OUR CLIENTS

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

### Specialist Elector Services

The Commission recognises that the Western Australian electorate is very diverse and that some groups of electors have particular accessibility requirements. In preparation for the March 2017 State election Commission personnel have been actively consulting with various community groups and representative bodies to better understand particular access requirements and to develop service programs accordingly.

One such program has been to engage with CaLD communities in the development of a trial program of Community Electoral Ambassadors. Participants in this initiative, representing a range of different CaLD communities, will undergo a training program and be provided with specially developed electoral information materials. In addition they will be offered employment as Community Information Officers to work at particular polling locations during the election.

Another key initiative described elsewhere in this report has been the extensive work being undertaken to develop internet and telephone voting systems for electors with some form of incapacity that makes it difficult for them to vote in secret using the traditional paper based system of voting.

The Commission has also continued to work with the Australian Electoral Commission on the delivery of dedicated enrolment and electoral services to indigenous communities throughout the State.

### Services to Political Parties and Candidates

The Commission has commenced discussion with registered political parties in relation to an improved system to assist with the centralised lodgement of nominations as well as changes to electoral boundaries and legislation. Communication with candidates will be broadened as the 2017 election approaches.

For the 2015 Local Government Elections the Commission conducted a number of candidate briefing sessions across the State in conjunction with the Department of Local Government and Communities. The sessions were well regarded by prospective candidates and the respective councils.

# KEY RESULT AREA 2

## OUR PEOPLE

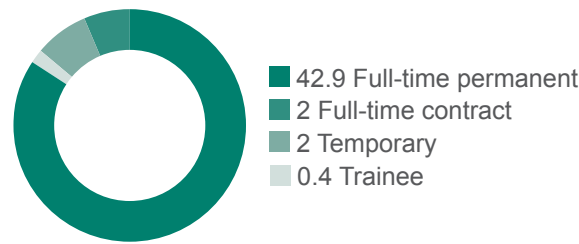
As a small agency the Commission faces a challenge in recruiting staff in competition with larger departments and the private sector. To meet that challenge we set out to be an employer of choice, providing interesting projects, training and development opportunities, recognising outstanding performance and maintaining a family friendly workplace.

The lengthy service history of many staff is testament to the fulfilment that staff members are able to achieve managing challenging electoral events. Individual staff participated in a wide range of specific skills training courses and attended various seminars courses and conferences for the purpose of professional development.

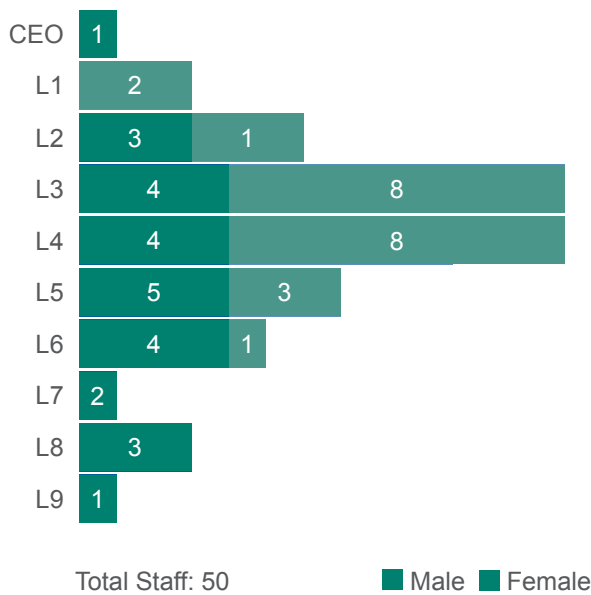
### Staff Profile

Currently the Commission employs 49 full or part time staff plus 1 School Based Trainee. This figure includes staff seconded from other agencies and staff assigned to temporary roles within the Office of the Electoral Distribution Commissioners. Additional casual staff members are employed during peaks of election activity.

Full time equivalent figures: FT, PT, Temporary Staff, Trainee



Staff Head Count 2015–2016 (per Level, Gender)





# KEY RESULT AREA 3

## OUR ORGANISATION

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 annual operational plans and the Commission's over-arching Strategic Plan
- open and transparent communication
- knowledge sharing, mentoring and succession planning.

### Risk Management

The management of risk is a key focus for the Commission with the entire management team involved in addressing both strategic and operational risks. A standing Risk Management and Audit Committee provides an over-sight role and meets quarterly to ensure risk review and assessment. For major electoral events every project leader is also required to assess and address the specific risks associated with their project.

With the decommissioning of RiskCover's risk management system, RiskBase, in March 2016, the Commission has developed and implemented its own risk register database to assist the Risk Management and Audit Committee in managing risks.

### Quality Management and Assurance

Under the Commission's Quality System, election and enrolment services are certified and audited to international quality assurance standards. Certificates of Approval confirm that management systems comply with quality assurance standards. In June 2016, a recertification of the Commission's quality management system concluded that the Commission's quality assurance system was very well managed and recommended recertification until July 2017. No non-compliance matters were identified.

The Commission continues to demonstrate its commitment to quality assurance by having 17 trained internal auditors (out of 50 staff). In 2014–15 an internal audit schedule was established involving nine separate audits of key election activities such as enrolment, distribution, planning and invoicing. All suggested system improvements were implemented.

The Quality Assurance Management Review Committee conducted monthly meetings throughout the year and made major improvements to the Commission's quality management system.

Financial Management

The Commission has an ongoing operational budget of around \$8 million. The Commission balanced its budget in 2015–16 and as well found funds internally to commence the development of an online Internet Voting system. The total cost of this project is estimated to be \$600,000 over a project life of 2 years.

The total cost of conducting the 2015 Local Government elections was \$4.4m, within the original cost estimates given to Local Governments.

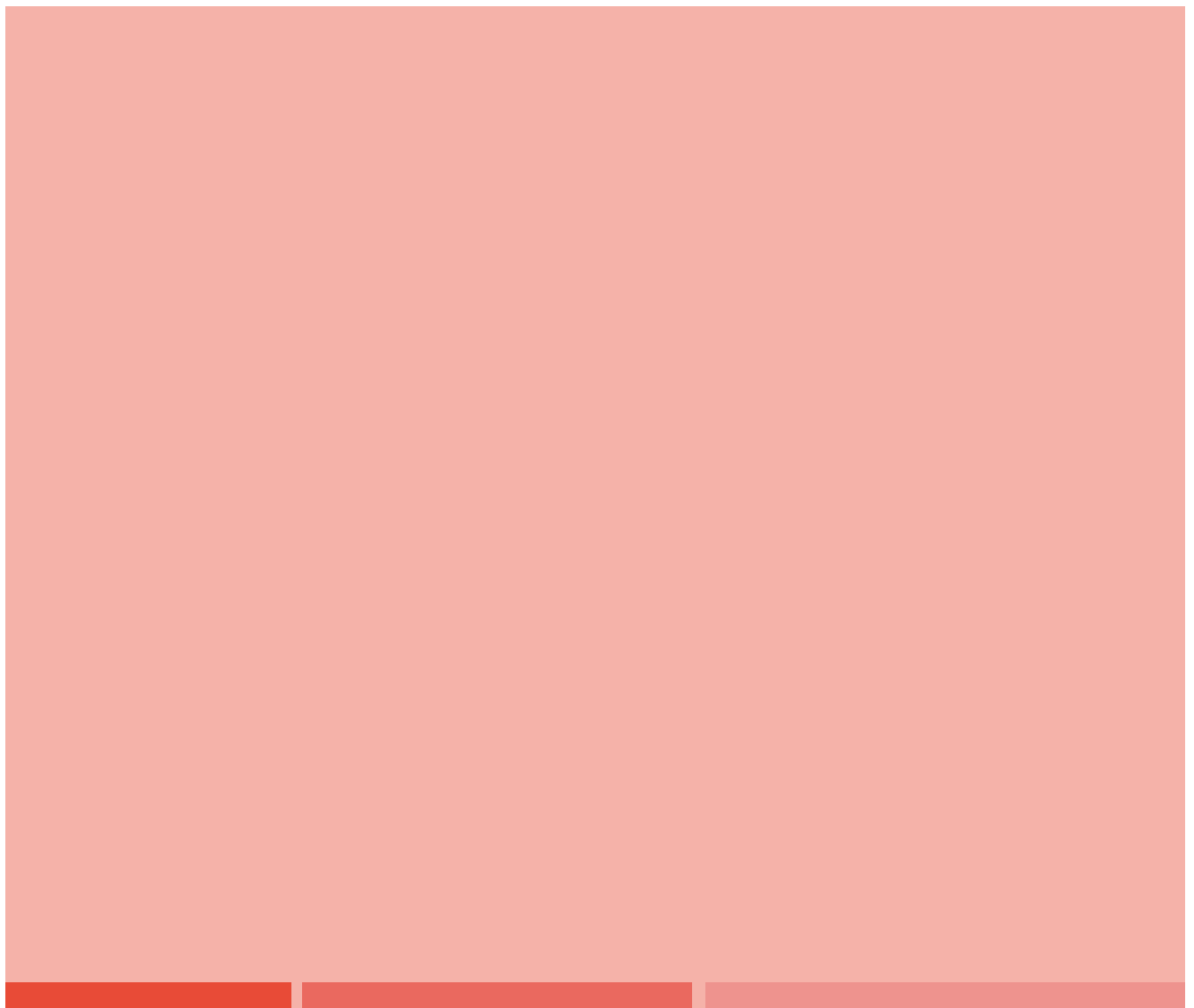
Information Systems and Technology

The major focus throughout the year was on systems development in readiness for the 2017 State General Election. The Election Management System has been expanded to provide an online portal for Returning Officers, dispensing with the requirement for them to install extensive software applications. An online

portal has also been developed for reporting of Legislative Council results. An enhanced Centralised Nomination System will make it easier for parties to lodge candidate nominations. Of particular note, the development of an internet/telephone voting system is well advanced, with the design based on the NSW Electoral Commission’s iVote system. Server upgrades and maintenance have also continued to ensure they meet performance, capacity and security requirements. The implementation of a number of enhancements suggested by the Office of the Auditor General has strengthened the overall security of our information systems.



# 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 2011</i>	<i>Electoral (Ballot Paper Forms) Regulations 1990</i>
<i>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</i>
<i>Industrial Relations Act 1979</i>	<i>Enforcement Acts 1994</i>
<i>Occupational Safety and Health Act 1984</i>	<i>Guardianship and Administration Act 1990</i>
<i>Parliamentary Commissioner Act 1971</i>	<i>Industrial Arbitration (Unions Elections) Regulations 1980</i>
<i>Public and Bank Holidays Act 1972</i>	<i>Juries Act 1957</i>
<i>Public Sector Management Act 1994</i>	<i>Local Government Act 1995</i>
<i>Public Interest Disclosure Act 2003</i>	<i>Local Government (Elections) Regulations 1997</i>
<i>Salaries and Allowances Act 1975</i>	<i>Referendums Acts 1983</i>
<i>State Records Act 2000</i>	<i>Referendums Regulations 1984</i>
<i>State Superannuation Act 2000</i>	<i>Working with Children (Criminal Record Checking) Act 2004</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

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 minimum 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.

## 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*

Section 175ZE of the Electoral Act requires all government agencies to report on certain expenditure related to advertising, market research, polling organisations, direct mail organisations and media advertising organisations. Total expenditure in these areas for 2015–16 was \$ 1,493,377.21.

Details are as follows:

	Amount	Expenditure	Amount
Advertising agencies	\$ 200,043.96	Carat Australia Media Services	\$ 151,145.46
		Marketforce	\$ 48,898.50
Market research organisations		Nil	
Polling organisations		Nil	
Direct Mail Organisations	\$ 1,068,176.97	Australia Post	\$ 1,052,506.57
		Toll Priority	\$ 4,344.91
		T & C Couriers	\$ 5,332.39
		Courier Australia	\$ 5,993.10
Media advertising organisations	\$ 225,156.28	Adcorp Australia Limited	\$ 193,787.29
		West Australian Newspapers	\$ 22,654.21
		Epoch Times	\$ 1,200.00
		Fair Fax Media Publication	\$ 3,212.32
		Rural Press Pty Ltd	\$ 3,260.51
		State Law Publisher	\$ 297.95
		Farm Weekly	\$ 744.00

Record keeping plan

The Commission is required to ensure records are created, managed and maintained over time and disposed of in accordance with standards set by the State Records Commission. The Commission’s 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 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.

In addition to regular OSH meetings, the Commission offers the following preventative health benefits to employees:

- Eyesight Screening
- First Aid Training
- Flu Vaccinations
- Employee Assistance Program
- Injury Management Compliance.

Worksafe plan

Being a small agency with few incidents, the Commission conducted its own assessment of the OSH system, using a recognised assessment tool to report the percentage of agreed actions completed.

Occupational safety, Health and Injury Management

Period	Fatalities	Lost time injury or disease	Severe claims	Lost time injury severity rate
01/07/2015 to 30/06/2016				
01/07/2014 to 30/06/2015	0	0	0	0
01/07/2013 to 30/06/2014	0	1	1	100
01/07/2012 to 30/06/2013	0	0	0	0

Substantive equality

The Commission is committed to the principles inherent in the Policy Framework for Substantive Equality and in achieving substantive equality through tailoring our services to meet the diverse needs of the community. The Commission continues to submit and champion its Equal Employment Opportunity Management Plan.

# DISABILITY ACCESS & INCLUSION PLAN OUTCOMES

## Outcome 1:

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

The Commission's Disability and Inclusion Plan (DAIP) is readily accessible on our website and to all staff through the Commission's intranet. New staff are also advised of the DAIP during induction.

Any elector who has a permanent disability or cares for a person who is seriously ill or infirm may apply to become a general early voter, in which case their ballot papers are automatically posted to them for each electoral event.

The Commission has been preparing a Strategy and Commitments Charter document detailing its plans for stakeholder groups in the 2017 March State General Election. This document outlines our commitment to promoting ease of access to election services for people with disabilities.

## Outcome 2:

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

The Commission's website provides comprehensive information for visitors, including opening hours, ramp locations and nearby public transport options.

The Commission's head office is centrally located in Perth's CBD and is close to public transport. The building has automatic doors, ramp access, and a concierge is available to assist visitors. The office meets legislative accessibility requirements and is accessed via a lift. Reception has automatic doors and is wheelchair accessible.

The Electoral Education Centre also meets legislative accessibility requirements and has parking for visitors with ACROD permits.

The Commission makes every effort to use polling places with disability access, although this is subject to availability of suitable premises. Polling places with better wheelchair access and parking are identified in election advertising materials and on the website.



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.

The Commission has proposed legislation to allow electors with a disability to vote via the internet. Importantly, this will allow such electors to cast a vote secretly and independently. The systems and processes that would facilitate internet voting are being developed for the 2017 State General Election.

The Commission has produced two brochures, Enhancing Access to Voting and Information for Carers to provide information for electors

with disability and their carers. We are currently reviewing our website to ensure it remains accessible and compliant for electors with a disability.

The Commission offers a National Relay Service (NRS) phone service for electors with a hearing impairment. People wishing to access information, including publications, can also request alternative formats if required.

Outcome 4:

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

All staff are expected to act in accordance with the Commission’s Code of Conduct, including being respectful and sensitive to electors with a disability.

For the 2015 Local Government elections the Commission published a Strategy and Commitments document which addressed the

accessibility of services and the commitment of staff to be accessible and inclusive. For the next State election the Commission is considering wearing of coloured vests by staff in polling places so that they are noticeable to electors who may require additional support.

Outcome 5:

People with disability have the same opportunities as other people to make complaints to us.

Any member of the public is entitled to make a complaint to the Commission. The Commission accepts complaints in a variety of formats including through the Commission’s website.

The Commission has a DAIP officer who can assist in resolving complaints from people with disability, their carers or representative organisations.



### Outcome 6:

People with disability have the same opportunities as other people to participate in any public consultation.

Consultation processes are open to all members of the public who are encouraged to provide feedback to the Commission.

To improve the accessibility of the Commission's services, consultation with key disability groups is undertaken when developing new systems and procedures to ensure appropriate and responsive service delivery. For example the Commission is in the process of consulting with a range of

community and disability advocacy groups in the development of internet voting options for the forthcoming State general election.

During the reporting year the Commission advertised for feedback on our proposed new DAIP through our website and in *The West Australian* newspaper.

### Outcome 7:

People with disability have the same opportunities as other people to obtain and maintain employment with the Commission.

The Commission is committed to providing a welcoming, friendly and supportive environment for all staff, including any staff member with a disability.

The Commission maintains flexible attraction and recruitment practices and actively encourages applicants with a disability to apply in our employment advertisements.



# GOVERNANCE & OTHER FINANCIAL DISCLOSURES

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## Ministerial directives

No Ministerial directives were received during the financial year.

## 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.

## 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.

## Freedom of information

The Commission received four Freedom of Information applications during 2015–16. Access was denied on three applications, two because the material sought constituted personal information, the third because the information was received in confidence. For the fourth application all documents requested were released to the applicant.

# KEY PERFORMANCE INDICATORS

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## 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 2016.



**David Kerslake**  
*ELECTORAL COMMISSIONER*

5 September 2016

# 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		2012–13 Actual	2013–14 Actual	2014–15 Actual	2015–16 Actual	2015–16 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 <sup>(a)</sup>
Percentage eligible electors on the State Electoral Roll		89.20%	88.40%	87.49%	88.60%	90.30%	-1.70% <sup>(b)</sup>
Percentage of enrolled electors voting in State Elections (or by-elections) or referenda	State General Election	89.20%	n/a	n/a	n/a	n/a	n/a <sup>(c)</sup>
	By-election	n/a	n/a	82.58%	n/a	n/a	n/a <sup>(c)</sup>
	Referenda	n/a	n/a	n/a	n/a	n/a	n/a <sup>(c)</sup>
Average percentage of enrolled electors voting in local government ordinary postal election or referenda conducted by the Commission		n/a	27.80%	43.70%	27.30%	32.90%	-5.60% <sup>(d)</sup>

Note: (a) The number of relevant breaches of "Declaration by Officer" form is an indicator which reflects the Commission's objective of conducting independent elections. There were no breaches in financial year 2015–16.

(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 1,517,575 enrolled electors out of an estimated eligible population of 1,712,824 people as at 30 June 2016.

(c) There were no State General Election, By-election or Referenda conducted in the 2015–16 Financial Year.

(d) The rates provide a key indicator of the commission's effectiveness in enabling electors to participate in the local government electoral process. Local government biennial elections were conducted in October 2015 and a referenda election was conducted for the proposed amalgamation of local councils in February 2015. Due to the nature of both elections, the indicator reflects a decrease in votes to 27.30%, because the referenda elections were completed on a smaller scale in comparison to the Local government biennial election.

Key Efficiency Indicators		2012–13 Actual	2013–14 Actual	2014–15 Actual	2015–16 Actual	2015–16 Target	Variation
Average Cost per Elector of Providing Electoral Services (Enrolment and Election Management)		\$5.74	\$4.81	\$5.23	\$5.32	\$5.05	\$0.27 <sup>(a)</sup>
Average Cost per Elector of Conducting State General Elections (or By-elections) or Referenda Events	State Election	\$11.90	\$0.67	n/a	n/a	n/a	n/a <sup>(b)</sup>
	By-election	n/a	n/a	\$13.23	n/a	n/a	13.23 <sup>(b)</sup>
	Referenda	n/a	n/a	n/a	n/a	n/a	n/a <sup>(b)</sup>
Average Cost per Elector of Conducting Local Government Ordinary (or/and Extraordinary) Elections Conducted by the Commission		\$1.56	\$2.63	\$1.89	\$2.51	\$2.79	-\$0.28 <sup>(c)</sup>

- 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 compared to target figures is due to management and structural changes.
- (b) There were no State General Election, By-election or Referenda conducted in the 2015–16 Financial Year.
- (c) The indicator reflects actual expenditure incurred while conducting Local Government election and extra-ordinary elections. In comparison with target figures cost is less due to overheads and postal expenditure.



# FINANCIAL STATEMENTS







## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

#### WESTERN AUSTRALIAN ELECTORAL COMMISSION

##### Report on the Financial Statements

I have audited the accounts and financial statements of the Western Australian Electoral Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and 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.

##### *Opinion*

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Electoral Commission at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

##### *Electoral Commissioner's Responsibility 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 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.

##### *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 based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Electoral Commissioner, as well as evaluating the overall presentation of the financial statements.

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

## Report on Controls

I have audited the controls exercised by the Western Australian Electoral Commission during the year ended 30 June 2016.

Controls exercised by the Western Australian Electoral 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.

### **Opinion**

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 2016.

### *Electoral Commissioner's Responsibility for Controls*

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

### *Auditor's Responsibility for the Audit of Controls*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Western Australian Electoral Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

## Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Electoral Commission for the year ended 30 June 2016.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

### **Opinion**

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 2016.

### *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 controls as the Electoral Commissioner determines



necessary to ensure that the key performance indicators fairly represent indicated performance.

*Auditor's Responsibility for the Audit of Key Performance Indicators*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Electoral Commissioner's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.


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

**Independence**

In conducting the above audits, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical 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 2016 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  
6 September 2016

## Disclosures and Legal Compliance

### Financial Statements

#### Certification of Financial Statements

For the year ended 30 June 2016

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 financial year ended 30 June 2016 and the financial position as at 30 June 2016.

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  
5 September 2016



David Kerslake  
Electoral Commissioner  
5 September 2016

**Statement of Comprehensive Income**  
For the year ended 30 June 2016

	Note	2016 \$000	2015 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6.	6,065	5,024
Supplies and services	7.	4,016	2,855
Depreciation and amortisation expense	8.	254	234
Accommodation expenses	9.	1,705	1,701
Grants and subsidies	10.	-	33
Other expenses	11.	279	232
<b>Total cost of services</b>		<b>12,319</b>	<b>10,079</b>
<b>Income</b>			
<i>Revenue</i>			
Other revenue	12.	4,825	635
<b>Total Revenue</b>		<b>4,825</b>	<b>635</b>
<b>Total income other than income from State Government</b>		<b>4,825</b>	<b>635</b>
<b>NET COST OF SERVICES</b>		<b>7,494</b>	<b>9,444</b>
<b>Income from State Government</b>			
Service appropriation	13.	8,478	8,715
Services received free of charge	13.	39	86
<b>Total income from State Government</b>		<b>8,517</b>	<b>8,801</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>1,023</b>	<b>(643)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,023</b>	<b>(643)</b>

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

**Statement of Financial Position**  
As at 30 June 2016

	Note	2016 \$000	2015 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	24.	1,441	457
Restricted cash and cash equivalents	14.	-	151
Receivables	15.	141	168
Amounts receivable for services	16.	117	117
<b>Total Current Assets</b>		<b>1,699</b>	<b>893</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	16.	491	491
Plant and equipment	17.	218	173
Intangible assets	18.	1,741	1,906
<b>Total Non-Current Assets</b>		<b>2,450</b>	<b>2,570</b>
<b>TOTAL ASSETS</b>		<b>4,149</b>	<b>3,463</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	20.	51	479
Provisions	21.	869	814
Other liabilities	22.	-	5
<b>Total Current Liabilities</b>		<b>920</b>	<b>1,298</b>
<b>Non-Current Liabilities</b>			
Provisions	21.	151	110
<b>Total Non-Current Liabilities</b>		<b>151</b>	<b>110</b>
<b>TOTAL LIABILITIES</b>		<b>1,071</b>	<b>1,408</b>
<b>NET ASSETS</b>		<b>3,078</b>	<b>2,055</b>
<b>EQUITY</b>			
Contributed equity	23.	1,026	1,026
Accumulated surplus/(deficit)		2,052	1,029
<b>TOTAL EQUITY</b>		<b>3,078</b>	<b>2,055</b>

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 2016

	Note	Contributed equity \$000	Accumulated surplus/(deficit) \$000	Total equity \$000
<b>Balance at 1 July 2014</b>	23.	1,026	1,672	2,698
Surplus/(deficit)		-	(643)	(643)
Total comprehensive income for the period		-	(643)	(643)
<b>Balance at 30 June 2015</b>		<b>1,026</b>	<b>1,029</b>	<b>2,055</b>
<b>Balance at 1 July 2015</b>		1,026	1,029	2,055
Surplus/(deficit)			1,023	1,023
Total comprehensive income for the period		-	1,023	1,023
<b>Balance at 30 June 2016</b>		<b>1,026</b>	<b>2,052</b>	<b>3,078</b>

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 2016

	Note	2016 \$000	2015 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		8,361	8,665
Holding account drawdown		117	117
<b>Net cash provided by State Government</b>		<b>8,478</b>	<b>8,782</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(6,351)	(4,888)
Supplies and services		(4,042)	(2,599)
Accommodation		(1,695)	(1,691)
Grants and subsidies		-	(33)
GST payments on purchases		(590)	(599)
Other payments		(279)	(232)
<b>Receipts</b>			
Receipts from services		4,827	632
GST receipts on sales		486	63
GST receipts from taxation authority		133	555
<b>Net cash provided by/(used in) operating activities</b>	24.	<b>(7,511)</b>	<b>(8,792)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(134)	(100)
<b>Net cash provided by/(used in) investing activities</b>		<b>(134)</b>	<b>(100)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase/(decrease) in cash and cash equivalents		833	(110)
Cash and cash equivalents at the beginning of the period		608	718
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	24.	<b>1,441</b>	<b>608</b>

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

Western Australian Electoral Commission – 30 June 2016

**Summary of Consolidated Account Appropriations and Income Estimates  
For the year ended 30 June 2016**

	2016 Estimate \$000	2016 Actual \$000	Variance \$000	2016 Actual \$000	2015 Actual \$000	Variance \$000
<u>Delivery of Services</u>						
Item 33 Net amount appropriated to deliver services	7,144	7,144	0	7,144	6,790	354
Amount Authorised by Other Statutes						
- Electoral Act 1907	800	800	0	800	1,400	600
- Industrial Relation Act 1979	116	116	0	116	116	-
- Salaries and Allowances Act 1975	418	418	0	418	409	9
<b>Total appropriations provided to deliver services</b>	<b>8,478</b>	<b>8,478</b>	<b>0</b>	<b>8,478</b>	<b>8,715</b>	<b>237</b>
<b>GRAND TOTAL</b>	<b>8,478</b>	<b>8,478</b>	<b>0</b>	<b>8,478</b>	<b>8,715</b>	<b>237</b>
<u>Details of Expenses by Service</u>						
Electoral Services	11,078	12,319	1,241	12,319	10,079	2,240
Total Cost of Services	<b>11,078</b>	12,319	1,241	12,319	10,079	2,240
Less Total income	(2,500)	(4,825)	(2,325)	(4,825)	(635)	4,190
Net Cost of Services	<b>8,578</b>	7,494	(1,084)	7,494	9,444	1,950
Adjustments	(100)	984	1,084	984	(729)	1,713
<b>Total appropriations provided to deliver services</b>	<b>8,478</b>	<b>8,478</b>	<b>-</b>	<b>8,478</b>	<b>8,715</b>	<b>237</b>
<u>Capital Expenditure</u>						
Purchase of non-current physical assets	117	134	17	134	100	34
Adjustments for other funding sources	(117)	(134)	(17)	(134)	(100)	34
<b>Capital appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Note 28 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2016 and between the actual results for 2016 and 2015.

## Notes to the Financial Statements

For the year ended 30 June 2016

### Note 1. Australian Accounting Standards

#### General

The Commission's financial statements for the year ended 30 June 2016 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*. Partial exemption permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* has been granted. Aside from AASB 2015-7, 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 2016.

### 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 4 '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 5

'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 financial year.



## (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 Independent, Impartial and Efficient Electoral Services to Electors for Parliament and other Electoral Clients”.

## (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 2015-16 Budget Statements, the Commission retained \$1,023,120 in 2016 (\$634,871 in 2015) 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<sup>(a)</sup> is 15 years.

<sup>(a)</sup> 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 is subject to insignificant risk of changes in value.

## **(l) Accrued salaries**

Accrued salaries (see note 20 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see notes 14, 24 'Restricted cash and cash equivalent') consist of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur 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 13 'Income from State Government' and note 16 '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 note 29 'Financial Instruments' and note 15 '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 note 29 'Financial Instruments' and note 20 '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 21 '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 different 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 note 11 'Other Expenses' and note 21 '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 financial year.

### **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 financial year.

#### **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 2015 that impacted on the Commission.

AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Commission has not yet determined the application or the potential impact of AASB 9.</p>
AASB 2014-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 &amp; 2010)]</i></p> <p>This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The Commission has not yet determined the application or the potential impact of AASB 9.</p>
AASB 2015-3	<p><i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></p> <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>



## 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. The Commission has not yet determined the application or the potential impact of the Standard</p>	1 Jan 2018
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. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
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>	1 Jan 2016
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 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 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

AASB 2014-4	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Method of Depreciation and Amortisation [AASB 116 &amp; 138]</i>	1 Jul 2016
	This 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.	
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018
	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.	
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	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.	
AASB 2015-1	<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 &amp; 140]</i>	1 Jan 2016
	These amendments arise from the issuance of International Financial Reporting Standard <i>Annual Improvements to IFRSs 2012-2014 Cycle</i> in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.	
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i>	1 Jul 2016
	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.	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017
	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. The Commission has not yet determined the application or the potential impact of AASB 15.	
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	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.	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	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.	

## 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**

	2016	2015
	\$000	\$000
Wages and salaries <sup>(a)</sup>	5,531	4,574
Superannuation - defined contribution plans <sup>(b)</sup>	534	450
	<b>6,065</b>	<b>5,024</b>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(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 11 'Other Expenses'.

Employment on-costs liability is included at note 21 'Provisions'.

**Note 7. Supplies and services**

	2016	2015
	\$000	\$000
Communications	2,120	879
Consultants and contractors	1,433	1,604
Consumables	259	195
Travel	70	62
Other	134	115
	<b>4,016</b>	<b>2,855</b>

**Note 8. Depreciation and amortisation expense**

	2016	2015
	\$000	\$000
<u>Depreciation</u>		
Equipment	34	33
Computer hardware	55	36
<b>Total depreciation</b>	<b>89</b>	<b>69</b>
<u>Amortisation</u>		
Intangible assets	165	165
<b>Total amortisation</b>	<b>165</b>	<b>165</b>
<b>Total depreciation and amortisation</b>	<b>254</b>	<b>234</b>

**Note 9. Accommodation expenses**

	2016	2015
	\$000	\$000
Lease rentals	1,673	1,663
Repairs and maintenance	32	38
	<b>1,705</b>	<b>1,701</b>

**Note 10. Grants and subsidies**

	2016	2015
	\$000	\$000
<u>Recurrent</u>		
Grants (section 175LC of the Electoral Act 1907) <sup>(a)</sup>	-	33
	<b>-</b>	<b>33</b>

(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 Vasse By-Election.

**Note 11. Other expenses**

	2016	2015
	\$000	\$000
Audit fees <sup>(a)</sup>	46	46
Repairs and maintenance - computing <sup>(b)</sup>	150	109
Other expenses	82	77
Employment on-cost <sup>(c)</sup>	1	-
	<b>279</b>	<b>232</b>

(a) Includes audit fees for this year and audit fees which generally would be the final audit fee for the previous year's audit. See also note 30 'Remuneration of auditor'.

(b) In FY 2014-15 repairs and maintenance for computing (\$109,147) and fees and charges (\$77,358) have now been reclassified to other

(c) 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 21 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**Note 12. Other revenue**

	2016	2015
	\$000	\$000
Local Government Elections	4,378	-
Other Elections	428	520
Sale of Roll Products/General Revenue	19	115
	<b>4,825</b>	<b>635</b>

**Note 13. Income from State Government**

	2016	2015
	\$000	\$000
Appropriation received during the period:		
Service appropriation <sup>(a)</sup>	8,478	8,715
	<b>8,478</b>	<b>8,715</b>
Services received free of charge from other State government agencies during the period:		
Department of Finance - Building Management Works	19	17
Department of the Attorney General - Corporate Services	20	30
Landgate	-	39
	39	86
	<b>8,517</b>	<b>8,801</b>

(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 liability during the year.

**Note 14. Restricted cash and cash equivalents**

	2016	2015
	\$000	\$000
<u>Current</u>		
Accrued salaries suspense account <sup>(a)</sup>	-	151
	<b>-</b>	<b>151</b>

(a) Funds held in the suspense account for the purpose of meeting the 27<sup>th</sup> pay in a financial year that occurs every 11<sup>th</sup> year.

**Note 15. Receivables**

	2016	2015
	\$000	\$000
<u>Current</u>		
Receivables	38	25
Accrued revenue	-	15
GST receivable	103	128
<b>Total current</b>	<b>141</b>	<b>168</b>

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

**Note 16. Amounts receivable for services (Holding Account)**

	2016	2015
	\$000	\$000
Current	117	117
Non-Current	491	491
	<b>608</b>	<b>608</b>

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 17. Plant and equipment**

	2016	2015
	\$000	\$000
<u>Equipment</u>		
At cost	250	227
Accumulated depreciation	(157)	(134)
	<b>93</b>	<b>93</b>
<u>Computer Hardware</u>		
At cost	449	349
Accumulated depreciation	(324)	(269)
	<b>125</b>	<b>80</b>
	<b>218</b>	<b>173</b>

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:**

<u>Equipment</u>		
Carrying amount at start of period	93	126
Additions	34	-
Depreciation	(34)	(33)
<b>Carrying amount at end of period</b>	<b>93</b>	<b>93</b>

Computer Hardware

Carrying amount at start of period	80	73
Additions	100	43
Depreciation	(55)	(36)
<b>Carrying amount at end of period</b>	<b>125</b>	<b>80</b>

Total

Carrying amount at start of period	173	199
Additions	134	43
Depreciation	(89)	(69)
<b>Carrying amount at end of period</b>	<b>218</b>	<b>173</b>

**Note 18. Intangible asset**

	2016	2015
	\$000	\$000
<u>Computer software</u>		
At cost	2,469	2,469
Accumulated amortisation	(728)	(563)
	<b>1,741</b>	<b>1,906</b>
	<b>1,741</b>	<b>1,906</b>

**Reconciliations:**

Computer Software

Carrying amount at start of period	1,906	1,976
Additions	-	57
Transfer	-	38
Amortisation expense	(165)	(165)
<b>Carrying amount at end of period</b>	<b>1,741</b>	<b>1,906</b>

Work In Progress

Carrying amount at start of period	-	38
Transfer	-	(38)
<b>Carrying amount at end of period</b>	<b>-</b>	<b>-</b>

**Note 19 Impairment of assets**

There were no indications of impairment to plant and equipment or intangible assets at 30 June 2016.

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 2016 have either been classified as assets held for sale or written-off.

**Note 20. Payables**

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
<u>Current</u>		
Accrued salaries	-	133
Accrued expenses	52	75
Trade payables	-	23
Other payables	(1)	248
<b>Total current</b>	<b>51</b>	<b>479</b>

See also note 2(o) 'Payables' and note 29 'Financial instruments'.

**Note 21. Provisions**

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	271	272
Long service leave <sup>(b)</sup>	586	531
	<b>857</b>	<b>803</b>
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	12	11
	<b>12</b>	<b>11</b>
	<b>869</b>	<b>814</b>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	149	108
	<b>149</b>	<b>108</b>
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	2	2
	<b>2</b>	<b>2</b>
	<b>151</b>	<b>110</b>

(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:

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the reporting period	241	252
More than 12 months after the end of the reporting period	30	20
	<b>271</b>	<b>272</b>

(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:

	2016	2015
	\$000	\$000
Within 12 months of the end of the reporting period	266	191
More than 12 months after the end of the reporting period	469	448
	<b>735</b>	<b>639</b>

(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 11 'Other expenses'.

#### Movements in other provisions

	2016	2015
	\$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	13	13
Additional/(reversal of) provisions recognised	1	-
<b>Carrying amount at end of period</b>	<b>14</b>	<b>13</b>

#### Note 22. Other liabilities

	2016	2015
	\$000	\$000
<u>Current Liability</u>		
Unclaimed Cheque - stale cheques	-	5
	<b>-</b>	<b>5</b>

#### Note 23. 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

	2016	2015
	\$000	\$000
Balance at start of period	1,026	1,026
<b>Balance at end of period</b>	<b>1,026</b>	<b>1,026</b>

#### Accumulated surplus/(deficit)

	2016	2015
	\$000	\$000
Balance at start of period	1,029	1,672
Result for the period	1,023	(643)
<b>Balance at end of period</b>	<b>2,052</b>	<b>1,029</b>
<b>Total equity at end of period</b>	<b>3,078</b>	<b>2,055</b>

#### Note 24. 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:

	2016	2015
	\$000	\$000
Cash and cash equivalents	1,441	457
Restricted cash and cash equivalents (Note 14 'Restricted cash and cash equivalents')	-	151
	<b>1,441</b>	<b>608</b>

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

	2016 \$000	2015 \$000
Net cost of services	(7,494)	(9,444)
<u>Non-cash items</u>		
Depreciation and amortisation expense	254	234
Services received free of charge	39	86
<u>(Increase)/decrease in assets</u>		
Current receivables <sup>(a)</sup>	(2)	(3)
<u>Increase/(decrease) in liabilities</u>		
Current payables <sup>(a)</sup>	(433)	232
Current provisions	55	10
Non-current provisions	41	(51)
Net GST receipts/(payments) <sup>(b)</sup>	29	19
Change in GST in receivables/payables <sup>(c)</sup>	-	125
<b>Net cash provided by/(used in) operating activities</b>	<b>(7,511)</b>	<b>(8,792)</b>

- (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 25. 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.

	2016	2015
	\$000	\$000
Commitments for minimum lease payments are payable as follows:		
Motor vehicles		
Within 1 year	31	23
Later than 1 year and not later than 5 years	34	12
	<u>65</u>	<u>35</u>

	2016	2015
	\$000	\$000
Accommodation		
Within 1 year	1,141	1,598
Later than 1 year and not later than 5 years	1,648	4,136
	<u>2,789</u>	<u>5,734</u>

The Commission had entered into a non-cancellable five-year property lease. The new lease arrangement has been finalised and started in 1 December 2014 to 31 December 2018.

**Note 26. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at 30 June 2016.

**Note 27. Event occurring after the end of the reporting period**

**Note 27: 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 28. Explanatory statement**

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$201,580 for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$69,260 for the Statements of Financial Position.

	Variance Note \$000	Estimate 2016 \$000	Actual 2016 \$000	Actual 2015 \$000	Variance between estimate and actual \$000	Variance between actual results for 2016 and 2015 \$000
<b>Statement of Comprehensive Income</b>						
<b>(Controlled Operations)</b>						
<b>Expenses</b>						
Employee benefits expense	A	5,790	6,065	5,024	275	1,041
Supplies and services	1,B	3,052	4,016	2,855	964	1,161
Accommodation expense		1,557	1,705	1,701	148	4
Depreciation and Amortisation expense		117	254	234	137	20
Grants and subsidies		-	-	33	-	(33)
Other expense	2	562	279	232	(283)	47
<b>Total cost of services</b>		<b>11,078</b>	<b>12,319</b>	<b>10,079</b>	<b>1,241</b>	<b>2,240</b>
<b>Income</b>						
<b>Revenue</b>						
Other revenue	3,C	2,500	4,825	635	2,325	4,190
<b>Total Revenue</b>		<b>2,500</b>	<b>4,825</b>	<b>635</b>	<b>2,325</b>	<b>4,190</b>
<b>Total income other than income from State Government</b>		<b>2,500</b>	<b>4,825</b>	<b>635</b>	<b>2,325</b>	<b>4,190</b>
<b>NET COST OF SERVICES</b>		<b>8,578</b>	<b>7,494</b>	<b>9,444</b>	<b>(1,084)</b>	<b>(1,950)</b>
<b>Income from State Government</b>						
Service appropriations		8,478	8,478	8,715	-	(237)
Services received free of charge		100	39	86	(61)	(47)
<b>Total income from State Government</b>		<b>8,578</b>	<b>8,517</b>	<b>8,801</b>	<b>(61)</b>	<b>(284)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>-</b>	<b>1,023</b>	<b>(643)</b>	<b>1,023</b>	<b>1,666</b>

**Major Estimate and Actual (2016) Variance Narratives**

- 1) Supplies and services exceeded the estimates by \$964k due to reclassification of accounts from other expense and an increase in local councils from 78 to 88 that engaged the Commission to conduct the 2015 Biennial Local Government Ordinary Election.
- 2) The reclassification of other expense to supplies and service resulted in the difference in comparison with the budget.
- 3) Other revenue exceeded the budget by \$2.3 million as a result of an increase in recoupable amounts generated during 2015 Biennial Local Government Ordinary Election including a net increase of 10 local councils that engaged the Commission to conduct their elections

**Major Actual (2016) and Comparative (2015) Variance Narratives**

- A) Employee benefits expense increased by \$1.0 million was due to casual employees hired to service the 2015 Biennial Local Government Ordinary Election.
- B) Supplies and services expense increased by \$1.2 million due to a net increase of 10 local councils that engaged the Commission to conduct the 2015 Biennial Local Government Ordinary Election.
- C) The increase in other revenue by \$4.2 million is due to the recoupable amounts generated during 2015 Biennial Local Government Ordinary Election.

	Variance Note \$000	Estimate 2016 \$000	Actual 2016 \$000	Actual 2015 \$000	Variance between estimate and actual \$000	Variance between actual results for 2016 and 2015 \$000
<b>Statement of Financial Position</b>						
<b>(Controlled Operations)</b>						
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalent		718	1,441	457	723	984
Restricted cash and cash equivalents		-	-	151	-	(151)
Receivables		443	141	168	(302)	(27)
Amounts receivable for services		117	117	117	-	-
<b>Total Current Assets</b>		<b>1,278</b>	<b>1,699</b>	<b>893</b>	<b>421</b>	<b>806</b>
<b>Non-Current Assets</b>						
Amounts receivable for services		424	491	491	67	-
Plant and equipment	4	333	218	173	(115)	45
Intangible assets	5,D	1,880	1,741	1,906	(139)	(165)
<b>Total Non-Current Assets</b>		<b>2,637</b>	<b>2,450</b>	<b>2,570</b>	<b>(187)</b>	<b>(120)</b>
<b>TOTAL ASSETS</b>		<b>3,915</b>	<b>4,149</b>	<b>3,463</b>	<b>234</b>	<b>686</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		127	51	479	(76)	(428)
Provisions	6	739	869	814	130	55
Other	7	167	-	5	(167)	(5)
<b>Total Current Liabilities</b>		<b>1,033</b>	<b>920</b>	<b>1,298</b>	<b>(113)</b>	<b>(378)</b>
<b>Non-Current Liabilities</b>						
Provisions		182	151	110	(31)	41
Other		2	-	-	(2)	-
<b>Total Non-Current Liabilities</b>		<b>184</b>	<b>151</b>	<b>110</b>	<b>(33)</b>	<b>41</b>
<b>TOTAL LIABILITIES</b>		<b>1,217</b>	<b>1,071</b>	<b>1,408</b>	<b>(146)</b>	<b>(337)</b>
<b>NET ASSETS</b>		<b>2,698</b>	<b>3,078</b>	<b>2,055</b>	<b>380</b>	<b>1,023</b>
<b>EQUITY</b>						
Contributed equity		1,026	1,026	1,026	-	-
Accumulated surplus/(deficit)		1,672	2,052	1,029	380	1,023
<b>TOTAL EQUITY</b>		<b>2,698</b>	<b>3,078</b>	<b>2,055</b>	<b>380</b>	<b>1,023</b>

#### Major Estimate and Actual (2016) Variance Narratives

- 4) Plant & equipment actual is less than the budget as the estimate was overstated.
- 5) Intangible asset actual is less than the budget as the estimate was overstated.
- 6) Current provisions exceeded the budget by \$130k due to the increase in accrued leave balance as a result of the 2015 Biennial Local Government Ordinary Election.
- 7) Other current liabilities in the budget included the workers compensation on-cost and accruals whereas the actual reports accruals in payables and workers compensation on-cost in provisions.

#### Major Actual (2016) and Comparative (2015) Variance Narratives

- D) The reduction in intangible asset against the comparative is a direct result having no new intangible assets addition and amortisation.



	Variance	Estimate	Actual	Actual	Variance	Variance
	Note	2016	2016	2015	between	between actual
	\$000	\$000	\$000	\$000	estimate and	results for 2016
					actual	and 2015
					\$000	\$000
<b>Statement of Cash Flows</b>						
<b>(Controlled Operations)</b>						
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		8,428	8,361	8,665	(67)	(304)
Holding account drawdown		117	117	117	-	-
<b>Net cash provided by State Government</b>		<b>8,545</b>	<b>8478</b>	<b>8782</b>	<b>(67)</b>	<b>(304)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	8,E	(5,790)	(6,351)	(4,888)	(561)	(1,463)
Supplies and services	9,F	(3,019)	(4,042)	(2,599)	(1,023)	(1,443)
Accommodation		(1,557)	(1,695)	(1,691)	(138)	(4)
Grants and subsidies		-	-	(33)	-	33
GST Payment on purchases	10	-	(590)	(599)	(590)	9
Other payments	11	(562)	(279)	(232)	283	(47)
<b>Receipts</b>						
Sale of goods and services	12,G	2,500	4,827	632	2,327	4,195
GST receipts on sales	13,H	-	486	63	486	423
GST receipts from taxation authority	I	-	133	555	133	(422)
<b>Net cash provided by/(used in) operating activities</b>		<b>(8,428)</b>	<b>(7,511)</b>	<b>(8,792)</b>	<b>917</b>	<b>1,281</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current assets		(117)	(134)	(100)	(17)	(34)
<b>Net cash provided by/(used in) investing activities</b>		<b>(117)</b>	<b>(134)</b>	<b>(100)</b>	<b>(17)</b>	<b>(34)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
<b>Net cash provided by/(used in) financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalent		-	833	(110)	833	943
Cash and cash equivalent at the beginning of the period		718	608	718	(110)	(110)
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>		<b>718</b>	<b>1,441</b>	<b>608</b>	<b>723</b>	<b>833</b>

#### Major Estimate and Actual (2016) Variance Narratives

- 8) Payment for employee benefits exceeded the budget by \$561k due to an increase in casual staff hire to manage with an increase in local councils from 78 to 88 that engaged the Commission to conduct the 2015 Biennial Local Government Ordinary Election.
- 9) Payment for supplies and services exceeded the budget by \$1.0 million due a net increase of 10 local councils that engaged the Commission to conduct their elections.
- 10) There is no allocation for GST payment on purchases in the budget.
- 11) The reclassification of other payments to supplies and service resulted in the difference in comparison with the budget.
- 12) The receipt of sale of goods and services exceeded the budget by \$2.3 million due to an increase in recoupable amounts generated during 2015 Biennial Local Government Ordinary Election including a net increase of 10 local councils that engaged the Commission to conduct their elections.
- 13) There is no allocation for GST receipt on sales in the budget.

**Major Actual (2016) and Comparative (2015) Variance Narratives**

- E) Payment for employee benefits increase by \$1.5 million due to an increase in casual staff hire to manage with an increase in local councils from 78 to 88 that engaged the Commission to conduct the 2015 Biennial Local Government Ordinary Election.
- F) Payment for supplies and services increased by \$1.4 million due to the 2015 Biennial Local Government Ordinary Election.
- G) The increase in sale of goods and services by \$4.2 million is due to the recoupable amounts generated during 2015 Biennial Local Government Ordinary Election.
- H) The increase in GST receipts on sales by \$423k is a result of the high level recoupable receipts carried out by the 2015 Biennial Local Government Ordinary Election.
- I) The decrease in GST receipts from taxation authority of \$422k due to a change of a process in completing BAS returns.

**Note 29. 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 29 (c) 'Financial instruments disclosures' and Note 15 '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:

	2016 \$000	2015 \$000
<b>Financial Assets</b>		
Cash and cash equivalents	1,441	457
Restricted cash and cash equivalents	-	151
Receivables <sup>(a)</sup>	646	648
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	51	484

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

**Note 29. 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	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
<b>2016</b>							
Cash and cash equivalents	1,441	1,441	-	-	-	-	-
Receivables <sup>(a)</sup>	38	38	-	-	-	-	-
Amounts receivable for services	608	608	-	-	-	-	-
	<b>2,087</b>	<b>2,087</b>	-	-	-	-	-
<b>2015</b>							
Cash and cash equivalents	457	457	-	-	-	-	-
Restricted cash and cash equivalents	151	151	-	-	-	-	-
Receivables <sup>(a)</sup>	40	40	-	-	-	-	-
Amounts receivable for services	608	608	-	-	-	-	-
	<b>1,256</b>	<b>1,256</b>	-	-	-	-	-

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

**Note 29. 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
<b>2016</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	-	1,441	-	-	1,441	1,441	1,441	-	-	-	-
Receivables <sup>(a)</sup>	-	38	-	-	38	38	38	-	-	-	-
Amounts receivable for services	-	608	-	-	608	608	608	-	-	-	-
	-	<b>2,087</b>	-	-	<b>2,087</b>	<b>2,087</b>	<b>2,087</b>	-	-	-	-
<b>Financial Liabilities</b>											
Payables	-	51	-	-	51	51	51	-	-	-	-
	-	<b>51</b>	-	-	<b>51</b>	<b>51</b>	<b>51</b>	-	-	-	-

(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 %	Carrying Amount \$000	Interest rate exposure			Nominal Amount \$000	Maturity Dates				
			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
<b>2015</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	-	457	-	-	457	457	457	-	-	-	-
Restricted cash and cash equivalents	-	151	-	-	151	151	151	-	-	-	-
Receivables <sup>(a)</sup>	-	40	-	-	40	40	40	-	-	-	-
Amounts receivable for services	-	608	-	-	608	608	608	-	-	-	-
	-	<b>1,256</b>	-	-	<b>1,256</b>	<b>1,256</b>	<b>1,256</b>	-	-	-	-
<b>Financial Liabilities</b>											
Payables	-	479	-	-	479	479	479	-	-	-	-
Other liabilities	-	5	-	-	5	5	5	-	-	-	-
	-	<b>484</b>	-	-	<b>484</b>	<b>484</b>	<b>484</b>	-	-	-	-

(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 30. Remuneration of senior officers**

The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

	2016	2015
<b>Remuneration Band (\$)</b>		
90,001 - 100,000 <sup>(a)</sup>	1	
110,001 - 120,000	1	
150,001 - 160,000	1	2
160,001 - 170,000	2	1
170,001 - 180,000		1
180,001 - 190,000		1
190,001 - 200,000		1
210,001 - 220,000	1	
260,001 - 270,000		1
310,001 - 320,000 <sup>(b)</sup>	1	
	<b>\$000</b>	<b>\$000</b>
Base remuneration and superannuation	1,139	1,151
Annual leave and long service leave accruals	(5)	50
Other benefits	94	88
<b>Total remuneration of senior officers</b>	<b>1,228</b>	<b>1,289</b>

Total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers.

No seniors officers are members of the Pension Scheme.

(a) Partial remuneration due to less than full year employment

(b) Senior officers received increased non monetary benefits.

**Note 31. Remuneration of auditor**

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

	2016	2015
	<b>\$000</b>	<b>\$000</b>
Auditing the accounts, financial statements and key performance indicators	47	46
	<b>47</b>	<b>46</b>

**Note 32. Related bodies**

The Commission had no related bodies during the financial year.

**Note 33. Affiliated bodies**

The Commission had no affiliated bodies during the financial year.

**Note 34. Special Purpose Account**

**Nomination Fees <sup>(a)</sup>**

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.

	2016	2015
	<b>\$000</b>	<b>\$000</b>
Balance at the start of the period	-	-
Receipts	-	2
Payments	-	(2)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

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

**Note 35. 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





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