

ANNUAL REPORT

2004-2005

ACCESS

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ANNUAL REPORT

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The Hon Morris Iemma MP
Premier, Treasurer and Minister for Citizenship
Parliament House
SYDNEY NSW 2000

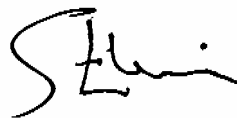
Dear Premier

Annual Report

In accordance with section 8 of the *Annual Reports (Statutory Bodies) Act 1984* we submit for tabling in both Houses of Parliament the report on the operations of the Authority for the financial year ended 30 June 2005.

A handwritten signature in black ink that reads 'Colin Barry'.

C Barry
Chairperson

A handwritten signature in black ink that reads 'S D Lewis'.

S D Lewis
Member

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CHARTER

The Election Funding Authority is established pursuant to the provisions of the *Election Funding Act 1981*. This Act is designed to prescribe a scheme of public funding of Parliamentary election campaigns and to require the public disclosure of the sources of funds and expenditure incurred in Parliamentary and local government election campaigns. The Act also provides for the annual payment to eligible registered political parties of amounts from the Political Education Fund.

Section 22(2) of the Act imposes a duty on the Authority to exercise its functions in a manner that is not biased against or in favour of any particular party, group, candidate or other person, body or organisation.

AIMS and OBJECTIVES

The Authority is responsible for dealing with:

- (a) applications by groups and candidates for registration;
- (b) claims by registered political parties, groups and candidates for payment of election campaign expenditure in respect of Parliamentary elections;
- (c) declarations by parties, groups, candidates and third parties of political contributions received and electoral expenditure incurred in respect of Parliamentary and Local Government elections; and
- (d) claims by parties for payment from the Political Education Fund.

The Authority has a number of other responsibilities including a research role in relation to election funding, political contributions, electoral expenditure and other matters relating to the Act.

MANAGEMENT AND STRUCTURE

Part II of the *Election Funding Act* 1981 provides that the Authority shall consist of:

- (a) The Electoral Commissioner for New South Wales as Chairperson
- (b) A member appointed on the nomination of the Premier
- (c) A member appointed on the nomination of the Leader of the Opposition in the Legislative Assembly

During the 2004/2005 year members of the Authority were:

Chairperson

Mr C Barry
Electoral Commissioner

Appointed on the nomination of the Premier

Mr S D Lewis

Appointed on the nomination of the Leader of the Opposition

Mr E P Pickering

Mr B DeCelis held the position of Secretary of the Authority from 1 July 2004.

The Authority met on the following dates and all members attended each meeting:

21 October 2004
12 December 2004
4 March 2005
13 April 2005
9 June 2005

SUMMARY REVIEW OF OPERATIONS

General

During the year the Authority registered candidates and groups contesting the local government elections held throughout the year.

The Authority registered candidates who contested the Dubbo by-election held on 20 November 2004.

Some declarations of political contributions received and electoral expenditure incurred lodged by candidates and groups contesting local government elections were received before the end of the year.

Claims for payment from the Political Education Fund lodged by eligible registered political parties were considered and appropriate payments made.

The Authority takes the opportunity to again express its appreciation to the staff of the State Electoral Office for their assistance and support.

Dubbo By-Election

General

During the reporting period the Authority dealt with claims for payment and declarations of political contributions received and electoral expenditure incurred lodged by candidates contesting the Dubbo By-Election held on 20 November 2004.

A total of four candidates contested the By-Election of which two were endorsed by a registered political party.

The total amount available for distribution from the By-Election Constituency Fund in accordance with the provisions of the Act was \$83,517.

The By-Election Constituency Fund is payable to eligible candidates dependent upon number of votes received. No candidate is entitled to receive more than half the amount available for the district i.e. $\$83,517 \div 2 = \$41,758$.

All parties contesting the election were registered under Part 4A of the *Parliamentary Electorates and Elections Act 1912* for the purposes of the *Election Funding Act*.

A schedule setting out a summary of political contributions received and electoral expenditure incurred by candidates at the Dubbo By-Election is available from the Authority or the State Electoral Office website www.seo.nsw.gov.au.

Third Parties

Under the Act a third party is:-

- (a) a person or organisation who incurs political expenditure of more than \$1,500 by way of a donation to a party or candidate;
- (b) a person or organisation which incurs political expenditure to this amount by way of playing an active role in the political process other than by direct donations to a party or candidate.

A third party is required to lodge a declaration setting out details of the expenditure together with the identity of any person or organisation who contributed more than \$1,000 which was used to incur the expenditure.

An examination has been made of the declarations of political contributions received to identify third parties who donated more than \$1,500 to a party or candidate at the By-Election.

All declarations required under the Act have been received.

Third party declarations are available for inspection at the office of the Authority.

Local Government Elections

2004 Local Government General Election

Some 142 councils held elections contested by a record number of 4,962 candidates for the Local Government General Election held on 27 March 2004. Elections were deferred for 17 councils pending finalisation of amalgamation proposals. (By comparison, in 1999 some 152 of 174 councils held elections and involved 4,552 candidates.)

In addition, 6 council areas, Conargo (4 wards), Coolamon, Dungog (3 wards), Narromine, Quirindi and Warren (4 wards) had uncontested elections as the number of candidates nominating was the same as the number to be elected. A further 27 wards over 19 councils were uncontested.

At the close of the reporting period there were a number of matters outstanding relating to disclosure obligations.

The Authority referred a number of matters to the Crown Solicitor's Office for commencement of proceedings against a number of candidates for failure to lodge declarations required by the legislation.

The Authority also referred a number of other matters to the Crown Solicitor's Office where candidates failed to lodge valid declarations.

Documents which have been lodged are available for inspection at the Authority or at the office of the relevant council once they have been dealt with by the Authority.

Local Government By-Elections

By-Elections were held in the following council areas:

Council	Date	Number of Candidates
Eurobodalla Shire	24 July 2004	7
Uralla Shire	4 December 2004	4
Greater Taree	11 December 2004	7
Camden – South Ward	12 February 2005	4
Hurstville – Penshurst Ward	5 March 2005	5
Brewarrina Shire	14 May 2005	2
Greater Hume	25 June 2005	6
Temora	25 June 2005	7

The time for lodgement of declarations by candidates at the Hurstville (Penshurst Ward), Brewarrina Shire, Greater Hume and Temora Council By-Elections does not expire until after 30 June 2005.

Local Government Ordinary Elections

Ordinary elections were held in the undermentioned council areas:

Council	Date	Number of Candidates
Snowy River Shire	24 July 2004	16
Gwydir Shire	25 September 2004	9
Tamworth Regional	25 September 2004	41
Glen Innes Severn Shire	4 December 2004	24
Bathurst Regional	5 March 2005	18
Clarence Valley	5 March 2005	37
Greater Hume	5 March 2005	13
Upper Hunter	5 March 2005	15
Warrumbungle	5 March 2005	17

At the close of the reporting period there were a number of matters outstanding relating to disclosure obligations and these are being pursued by the Authority.

The time for lodgement of declarations by candidates at the Bathurst Regional, Clarence Valley, Greater Hume, Upper Hunter and Warrumbungle Council ordinary elections does not expire until after 30 June 2005.

Political Education Fund

Entitlement for 2005 Calendar Year

Amounts payable to eligible parties for the 2005 calendar year from the Political Education Fund are as follows:

Party	Entitlement \$
Australian Labor Party (NSW Branch)	686,618
Country Labor Party	126,891
Christian Democratic Party (Fred Nile Group)	32,986
Liberal Party of Australia New South Wales Division	472,444
National Party of Australia - NSW	184,002
The Greens	157,685

Claims for payment from the Political Education Fund are available for inspection at the Authority.

CODE OF CONDUCT

The Code of Conduct is set out in the Annual Report of the State Electoral Office.

CONSULTANTS

Details of the consultants used by the Authority are set out in the Annual Report of the State Electoral Office.

CONTRACT AND MARKET TESTING

Internal auditing of the State Electoral Office extends to the records of the Authority. This function is contracted out and for the reporting period the cost to the Authority was \$8,000.

CONTROLLED ENTITIES

The Authority has no controlled entities.

DEPARTURE FROM THE SUBORDINATE LEGISLATION ACT

There have been no departures from the provisions of the Subordinate Legislation Act. No extensions have been sought under that Act.

DISABILITY STRATEGIC PLAN

Details of the Disability Strategic Plan applicable to the Authority are set out in the Annual Report of the State Electoral Office.

ECONOMIC OR OTHER FACTORS

There were no economic or other factors that have affected the achievement of the operational objectives of the Authority during the reporting year.

ELECTRONIC SERVICE DELIVERY

Many of the forms and instructional material necessary for parties, groups and candidates to comply with the requirements of the legislation are available on the Internet. The Authority continues to develop this material.

Details of contributions received, expenditure incurred and payments made in respect to Parliamentary elections are presently available on the Internet.

EQUAL EMPLOYMENT OPPORTUNITY

Equal Employment Opportunity details are set out in the Annual Report of the State Electoral Office.

ETHNIC AFFAIRS POLICY STATEMENT

Details of the Ethnic Affairs Policy Statement are set out in the Annual Report of the State Electoral Office.

FINANCE

The financial statements of the Authority prepared in accordance with the *Public Finance and Audit Act 1983*, the Auditor-General's Certificate in relation to these statements together with a detailed budget of the Authority for the financial year are included in this Report.

GOVERNMENT ENERGY MANAGEMENT POLICY

Details of the Government Energy Management Policy are shown in the Annual Report of the State Electoral Office.

GRANTS TO COMMUNITY ORGANISATIONS

No grants were made to non-government community organisations other than payments made to eligible parties under the Act.

HUMAN RESOURCES

The role of Secretary to the Authority is not a statutory position and is undertaken by a permanent staff member of the State Electoral Office. Staff of the Parliamentary Elections Division provide administration, accounting and research services to the Authority (See "Organisation Structure").

Details of information relating to staff required by virtue of clause 4(1)(j) of the Annual Reports (Statutory Bodies) Regulation 1985 are included in the Annual Report of the State Electoral Office.

No overseas visits were undertaken.

IMPLEMENTATION OF PRICE DETERMINATION

No publications of the Authority are sold.

INVESTMENT PERFORMANCE AND LIABILITY MANAGEMENT PERFORMANCE

The Authority has no investments or liabilities.

LAND DISPOSAL

The Authority does not own or have an interest in any realty.

LEGAL CHANGE

There were no amendments to the legislation or significant judicial decisions affecting the Authority or the administration of the legislation.

MAJOR ASSETS

The Authority does not possess any assets.

MANAGEMENT AND ACTIVITIES

The general nature and range of activities of the Authority are set out in the item "Summary Review of Operations".

OCCUPATIONAL HEALTH AND SAFETY

Details relating to Occupational Health and Safety are shown in the Annual Report of the State Electoral Office.

ORGANISATION STRUCTURE

See under "Management and Structure".

PAYMENT OF ACCOUNTS

Accounting functions are managed by the Finance Section of the State Electoral Office. Details of payment of accounts are set out in the Annual Report of that Agency.

PERFORMANCE INDICATORS/PROGRAM EVALUATION RESULTS

The service functions provided by the Authority are set out on page 5 under the heading "Aims & Objectives".

PERFORMANCE STATEMENT

Name:	C Barry
Position and Level:	Electoral Commissioner and Chairperson, Election Funding Authority (Public Office Holder Group)
Period in the position:	1 July 2004 to 30 June 2005

By virtue of section 6(a) of the *Election Funding Act* 1981 the Electoral Commissioner is appointed Chairperson of the Election Funding Authority.

The Electoral Commissioner is appointed by the Governor pursuant to section 21A of the *Parliamentary Electorates and Elections Act* 1912 and his functions relating to that Act are set out in the Annual Report of the State Electoral Office.

The Authority administers the public funding of Parliamentary election campaigns and ensures the disclosure of political contributions and electoral expenditure by registered political parties, groups, candidates and third parties.

During the reporting period:

- the Authority prepared and distributed instructional material to registered political parties, groups and candidates contesting the deferred Local Government ordinary elections, Local Government By-Elections and the Legislative Assembly By-Election in the District of Dubbo;
- processed the claims for payment and declarations of political contributions received and electoral expenditure incurred by groups and candidates arising from the 2004 Local Government General Elections and other elections conducted during the year
- sought and processed third party declarations; and
- administered the Political Education Fund established to provide money to eligible parties for expenditure on political education.

The Authority, under the Chairperson, undertook all these matters together with others outlined in this Report.

POLITICAL EDUCATION FUND

Payment of claims for payment from the Political Education Fund within two weeks after lodgement in proper form:

2001	2002	2003	2004	2005
100%	100%	100%	100%	100%

PRIVACY MANAGEMENT PLAN

Pursuant to the provisions of the *Election Funding Act 1981* particular documents lodged with the Authority must be made available for public inspection.

The details of the Privacy Management Plan generally are set out in the Annual Report of the State Electoral Office.

PROMOTION

The Authority publishes instructional handbooks for use by registered political parties, groups and candidates contesting state and local government elections. These publications explain their rights and responsibilities under the Act and contain examples of the proper manner of completing documents to be lodged with the Authority.

RESEARCH AND DEVELOPMENT

The Authority undertook an examination into matters relating to the appropriateness, completeness and effectiveness of the administrative arrangements in place to fully satisfy the disclosure and claims requirements of the *Election Funding Act* and Regulations and the *Local Government Act*. The review included both election funding and political education matters.

RESPONSE TO MATTERS RAISED BY AUDITOR-GENERAL IN MANAGEMENT LETTERS

No matters were raised by the Auditor-General.

RISK MANAGEMENT AND INSURANCE ACTIVITIES

Details of risk management and insurance activities are shown in the Annual Report of the State Electoral Office.

SOCIAL PROGRAMS

The Authority does not provide any Social Programs.

SUBSIDIARIES, PARTNERSHIPS, JOINT VENTURES and OTHER ASSOCIATIONS

The Authority has no bodies of this nature with which it is associated or has arrangements.

WASTE REDUCTION PLAN

Details of the activities in relation to waste reduction are shown in the Annual Report of the State Electoral Office.

WOMEN'S ACTION PLAN

Details of the Women's Action Plan are shown in the Annual Report of the State Electoral Office.

REGISTERED PARTIES AS AT 30 JUNE 2005

The undermentioned parties are registered under the Act for the purposes of both State and Local Government elections:

Australian Democrats (NSW Division)
Australian Labor Party (NSW Branch)
Australians Against Further Immigration
Christian Democratic Party (Fred Nile Group)
Country Labor Party
Horse Riders Party
Liberal Party of Australia New South Wales Division
National Party of Australia – NSW
No Privatisation People's Party
One Nation NSW Political Party
Outdoor Recreation Party
Restore the Workers' Rights Party
Save Our Suburbs
Socialist Alliance
The Fishing Party
The Greens
The Shooters Party
Unity Party

The undermentioned parties are registered under the Act for the purposes of Local Government elections only:

Blue Mountains First - Community Independents Incorporated
Bob Thompson's Independent Team
Burwood Community Voice
Byron Community Alliance Network
Canada Bay Independents
Central Coast First
Community Action Group - Eurobodalla
Community Before Developers – Stop Over Development
Community Development “Environment” Save Campbelltown Koalas
Community First Alliance
Community Sports Party
Eurobodalla First
Gosford Community Independents
Holroyd Independents
Kogarah North Ward Progress Association
Leichhardt Council Community Independents
Lismore Community Independents
Liverpool Community Independents Team
Living Sydney Team
Local Voice Party
Lorraine Wearne Independents
Mosman Residents Group
No Politics
Our Community – Our Council
Our Sustainable Future
Pride in our City Independents
Progressive Action Group
Protect Our Garden Shire
Randwick City Community Independents
Real Peoples Party
Residents Action Group for Auburn Area
Residents First Woollahra
Russell Matheson Community First Team
Save Tuggerah Lakes
Shire Watch Independents
Shire Wide Action Group
Shoalhaven Independents Group
Sydney Independents
Totally Locally Committed Party
Tweed Shire Residents & Ratepayers Group
Wagga Wagga Ratepayers and Citizens Association
Yvonne Bellamy Independents

Audited Financial Statements

and

Commentary



GPO Box 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Election Funding Authority of New South Wales

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Election Funding Authority of New South Wales:

- (a) presents fairly the Authority's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

The Authority's Role

The financial report is the responsibility of the members of the Authority. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Authority in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Authority members had not fulfilled their reporting obligations.

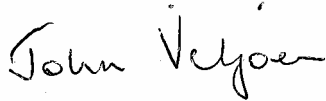
My opinion does *not* provide assurance:

- about the future viability of the Authority,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



John Viljoen CPA
Director of Audit

SYDNEY
20 October 2005

Statement by Members of the Authority

Pursuant to the provisions of the Public Finance and Audit Act 1983, and in accordance with a resolution of the members of the Election Funding Authority, we declare that in our opinion:

1. The accompanying financial report exhibits a true and fair view of the financial position of the Election Funding Authority as at 30 June 2005 and transactions for the year then ended.
2. The report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and Public Finance and Audit Regulation 2000.

Further, we are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



C Barry
Chairperson

**ELECTION FUNDING AUTHORITY OF NSW
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

2004		Notes	2005
\$			\$
	REVENUE FROM ORDINARY ACTIVITIES		
	Consolidated Fund: (Specially appropriated under the Election Funding Act No. 78 of 1981)		
-	Payments to candidates, groups and parties		102,918
1,733,534	Political Education Fund		1,662,626
<u>1,733,534</u>	TOTAL REVENUE		<u>1,765,544</u>
	EXPENDITURE ON ORDINARY ACTIVITIES		
	2003 General Election payments to individual candidates from		
-	Constituency Fund		23,062
	Payments to individual candidates from By-election Constituency Fund		
-			79,856
1,733,534	Payments to political parties from Political Education Fund	2	1,662,626
<u>1,733,534</u>	TOTAL EXPENDITURE		<u>1,765,544</u>
<u>-</u>	TOTAL CHANGES IN EQUITY		<u>-</u>

This financial report should be read in conjunction with the notes thereto.

**ELECTION FUNDING AUTHORITY OF NSW
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005**

2004		Notes	2005
\$			\$
	Current Assets		
-	Receivables		-
<u>-</u>	Total Current Assets		<u>-</u>
<u>-</u>	Total Assets		<u>-</u>
	Current Liabilities		
-	Payables	6	-
<u>-</u>	Total Current Liabilities		<u>-</u>
<u>-</u>	Total Liabilities		<u>-</u>
<u>-</u>	Net Assets		<u>-</u>
	Equity		
-	Accumulated funds		-
<u>-</u>	Total Equity		<u>-</u>

This financial report should be read in conjunction with the notes thereto.

**ELECTION FUNDING AUTHORITY OF NSW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005**

2004 \$		Notes	2005 \$
	CASH FLOWS FROM OPERATING ACTIVITIES		
	Payments		
(5,326,672)	Payments to candidates, groups and parties		(102,918)
-	Political Education Fund		(1,662,626)
	Receipts from Government		
5,326,672	Consolidated Fund receipts via State Electoral Office		1,765,544
<u>-</u>	Cash Flows from Operating Activities	5	<u>-</u>
-	Net Change in cash from Operating Activities		-
-	Opening cash and cash equivalents		-
<u>-</u>	Closing cash and cash equivalents		<u>-</u>

This financial report should be read in conjunction with the notes thereto.

**ELECTION FUNDING AUTHORITY
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005**

Principal Activities

The Election Funding Act 1981 provides for the public funding of Parliamentary election campaigns and for the Political Education Fund.

Payments from the Central Fund are to eligible candidates, groups and parties at a general election contesting election to the Legislative Council of New South Wales. Payments from the Constituency Fund are to eligible candidates and parties at a general election contesting election to the Legislative Assembly of New South Wales. Payments from the By-election Constituency Fund are to eligible candidates and parties at a By-election contesting election to the Legislative Assembly of New South Wales.

As amended, the Election Funding Act 1981 provides for the establishment of a Political Education Fund from which eligible registered parties are entitled to receive annual payments for the purposes of political education.

1. Summary of Accounting Policies

The Authority has kept proper accounts and records for all of its operations as required under Section 41(1) of the Public Finance and Audit Act, 1983.

The Authority's financial report is a general purpose financial report and has been prepared on an accrual basis in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group (UIG) Consensus Views, the requirements of the Public Finance and Audit Act 1983, and Regulations, and the Treasurer's Directions.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus view, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

The Statement of Cash Flows has been prepared on a cash basis using the direct method, and includes all receipts and payments made during the year.

All amounts are expressed in Australian dollars.

All transactions are conducted through the State Electoral Office's accounting framework. Candidates, groups and parties are eligible for payments from either the Constituency Fund or the Central Fund when the election results are announced. Expenses and liabilities for these payments are recognised when a claim is approved by the Election Funding Authority.

In accordance with AASB 1044 Provisions, Contingent Liabilities and Contingent Assets, the past event which gives rise to this liability is considered to be the conclusion of the election and the announcement of the results.

All revenue arises from operating activities consistent with the Authority's core operations. Parliamentary appropriations are generally recognised as revenues when the Authority obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An expense and liability are recognised for Central and Constituency Funds expenditure claims incurred but not submitted to the Authority at balance date. A corresponding revenue item and asset are recognised as the cost of claims is recovered from the State Electoral Office.

The Authority has no employees, nor does it own or control any non-current assets.

2004		2005
\$		\$
2. Political Education Fund		
688,618	Australian Labor Party (NSW Branch)	688,618
126,891	Country Labor Party	126,891
472,444	Liberal Party of Australia New South Wales Division	472,444
32,986	Christian Democratic Party (Fred Nile Group)	32,986
53,106	Australian Democrats (NSW Division)	-
184,002	National Party of Australia - NSW	184,002
157,685	The Greens	157,685
17,802	Unity	-
-	Outdoor Recreation	-
1,733,534	Total Payments from Political Education Fund	1,662,626

3. Contingent Liabilities

There are no known contingent liabilities at balance date (\$NIL at 30 June 2004).

4. Commitments

The Authority has no contractual commitments, nor any operating or finance leases (\$NIL at 30 June 2004).

5. Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus

2004 \$		2005 \$
-	Operating Surplus	-
-	Increase in Accounts Payable	-
-	Increase in Accounts Receivable	-
<hr/>		<hr/>
-	Net Cash From Operating Activities	-
<hr/> <hr/>		<hr/> <hr/>

6. Payables

Liabilities are recognised for amounts due to political parties and individuals. No interest is payable on these amounts.

2004 \$		2005 \$
-	Liability-Payments to candidates, groups and parties	-
23,062		-
-	Less- Amount recoverable from State Electoral Office	-
(23,062)		-
<hr/>		<hr/>
-		-
<hr/> <hr/>		<hr/> <hr/>

7. Australian Equivalents To International Financial Reporting Standards

(a) Explanation of how the transition to AIFRS is being managed

The agency will apply the Australian Equivalents to International Financial Reporting Standards (AIFRS) from the reporting period beginning 1 July 2005.

- The agency's Project Team is implementing the transition.
- The following phases that need to be undertaken have been identified:
 - Establish Project Team
 - Note Disclosure 2003/04 Financial Report for SEO & EFA
 - Establish a Timetable for Implementation
 - Impact Assessment
 - Develop Conversion Plan
 - Scope of Changes
 - System Development
 - Balance Sheet 1/7/04 Preparation
 - Implementation and Review
 - Note Disclosure 2005/06

To date, the Project Team has been established, Disclosure has been provided in the notes to the 2004 and 2005 Financial Reports and a Timetable has been established in respect to implementation. In respect to the remaining phases the prospective completion dates are as follows:

- Impact Assessment – October 2004
- Develop Conversion Plan - October 2004
- Scope of Changes – November 2004
- System Development – December 2004
- Balance Sheet 1/7/04 Preparation – December 2004
- Implementation and Review – January-June 2005
- Note Disclosure 2005/06 – July-August 2005

(b) Key Differences in Accounting Policies

The agency has determined the key areas where changes in accounting policies are likely to impact the financial report.

The agency has determined as at the date of preparing the 30 June 2005 financial report that there are no estimated financial impacts of the AEIFRS on the State Electoral Office's equity and profit/loss. The agency does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ because of impending changes to the AEIFRS including the UIG Interpretations and / or emerging accepted practice in their interpretation and application. The agency's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

End of audited financial report

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