

ANNUAL
REPORT



2015-2016



31 October 2016

The Hon Michael Baird MP
Premier
52 Martin Place
SYDNEY NSW 2000

Dear Premier

We are pleased to submit our Annual Report for the financial year ended 30 June 2016.

This Report is presented in accordance with the requirements of the Annual Reports (Departments) Act 1985 and the *Public Finance and Audit Act 1983*.

The Report details our operations and activities and includes the conduct of elections held during the year, as well as the services we have provided to registered clubs, statutory boards, industrial organisations and other assistance to electoral authorities. We also outline our conduct of the Aboriginal Land Council Elections and address our challenges, initiatives and the conduct of the forthcoming first tranche of the 2016 Local Government Elections.

It also outlines our activity in regulating election funding – both in administering public funding and ensuring compliance with election funding, expenditure and disclosure requirements. We detail our management of the Funding, Disclosure and Compliance regime, and our actions in dealing with breaches of the requirements.

The Annual Report was produced in-house, eliminating any external production costs, as per memorandum M2013-09.

Yours sincerely

Linda Franklin
Acting Electoral Commissioner
(1 January 2016 to 7 August 2016)

The Hon Keith Mason AC QC
Chairperson, NSW Electoral Commission

John Schmidt
Electoral Commissioner

Letter of Transmittal

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Note: throughout this report, the terms iVote and SmartRoll are used to refer to the iVote system and the SmartRoll system respectively. Both iVote and SmartRoll are Registered trademarks of the NSW Electoral Commission.

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About the NSWEC

This section provides the overview from the Chairperson, the Electoral Commissioner and the Chief Financial Officer. It also describes the information about the NSW Electoral Commission, the nature of its work, and the highlights of 2015-16.

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Foreword by the Chairperson of the Electoral Commission



I am pleased to present the New South Wales Electoral Commission's Annual Report for 2015-16.

Administration of Elections – Retirement of Electoral Commissioner Colin Barry

In December 2015 Colin Barry retired after serving as Electoral Commissioner since 2004. In that role he (and the loyal staff he managed) administered three general elections, two general local government elections and numerous by-elections, two state-wide redistributions and many parliamentary inquiries. Many innovations occurred for which he should take primary credit. Colin supported the reconstitution of the NSW Electoral Commission, which replaced the former Election Funding Authority, in late 2014, and was one of its three founding members. His administrative and personal skills, immense knowledge of things psephological, and understanding of how responsible government works at the coal face, ensured that the NSW Electoral Commission has become the national leader in many fields.

Many things can go wrong at the cutting edges of modern democracy with mass participation by voters and a surge of temporary officials to collect and count votes. The primary role of an Electoral Commissioner and his or her permanent staff is to anticipate them, minimise their occurrence and manage them in a lawful, fair and accountable manner. During Colin's watch there were only two challenges in the Court of Disputed Returns, both of them unsuccessful. It is the fate of an effective Electoral Commissioner that their efforts and achievements are generally taken for granted by government and parliament. This is only partly explicable by the independent role of electoral commissioners and commissions.

Pending the appointment of the new Commissioner, Ms Linda Franklin stepped into the role of Acting Electoral Commissioner. She has served with particular distinction during a challenging period. The NSW Electoral Commission has seen the restructuring of its senior branches. There have been political and administrative uncertainties surrounding the government's policy of reducing the number of local government areas. These uncertainties had an impact upon preparations for the general local government election scheduled for September 2016.

The role of the Independent Commission Against Corruption

In response to a High Court decision that disclosed a previously undetected gap in the jurisdiction of ICAC, the Premier commissioned the Hon Murray Gleeson AC and Mr Bruce McClintock SC to report on possible legislative responses. On behalf of the NSW Electoral Commission, I made written and oral representations to this Independent Panel. We urged support for ICAC generally and for legislation that would confirm its existing and future jurisdiction to examine and report on matters arising under all three of the statutes administered by the Electoral Commission. The NSW Electoral Commission welcomed the report of the Independent Panel and the legislative response that adopted it, ensuring the continuation of pending inquiries touching matters of concern to the NSWEC.

ICAC's report on Operation Spicer has only recently been released, but prior to its delivery, the transcripts and exhibits of its public hearings were available to the public, and to officers of this Commission and lawyers retained by them. This material has, in turn, triggered further lines of investigation by the NSW Electoral Commission and enabled the NSWEC to initiate administrative and other proceedings designed to enforce electoral funding laws.

Election Funding, Expenditure and Disclosure

Among other things, the *Election Funding, Expenditure and Disclosures Act 1981* prohibits donations to political parties from particular proscribed sources or exceeding various caps. A constitutional challenge to the scheme was rejected in *McCloy's Case* in 2015, with the High Court affirming that the purpose of the Act was to secure and promote the actual and perceived integrity of the Parliament and other institutions of government in the state. The Court observed that “a risk to that integrity may arise from undue, corrupt or hidden influence over those institutions, their members or their processes”.

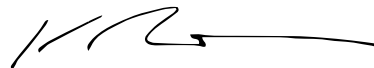
Parties and donors are required to make returns, audited in the case of parties. These in turn are cross-checked, audited and monitored by NSW Electoral Commission staff. Since late 2014, the NSWEC has been empowered to initiate and prosecute civil and criminal enforcement proceedings where breaches are detected.

During the year in question the NSW Electoral Commission has endeavoured to explore and act on the statutory linkage between public funding and party disclosure obligations. In March 2016, the NSWEC announced that it was obliged to withhold funding pending proper disclosure of large donors by one of the major parties. Other actions concerning making and receiving prohibited donations have been initiated as well.

The NSW Electoral Commission will continue to monitor the working of the legislation under its regulatory oversight, exploring ways to make it more effective and assisting government and parliament with recommendations for its improvement. The NSWEC strongly supports legislative reform to mandate “real time” disclosure of political donations.

Commendation

I take this opportunity to thank and congratulate the staff of the New South Wales Electoral Commission, along with my fellow Commission members Len Scanlan and Linda Franklin, for their commitment, support and effort in this important public endeavour.



The Hon Keith Mason AC QC
Chairperson, NSW Electoral Commission

Report of the Acting Electoral Commissioner



I am pleased to present the New South Wales Electoral Commission's (NSWEC) Annual Report for 2015-16.

The Year in Review – preparing for the 2016 Local Government Elections

I am delighted to give an overview of what has been an extremely busy year of challenge and change at the NSW Electoral Commission.

Change in Leadership

I would like to pay tribute to Colin Barry who led the organisation as Electoral Commissioner for eleven and a half years. Colin retired at the end of 2015. His visionary leadership resulted in the NSW Electoral Commission being recognised as the highly professional, innovative and integrity driven organisation it is today.

Restructure

This year has been one of significant change for the NSW Electoral Commission, with the departure of two long serving senior executives – Greg Brandtman, Director Administration and Ian Brightwell, Director IT.

In line with the *Government Sector Employment Act 2013*, the NSW Electoral Commission has been implementing a restructure of the whole organisation, including its Senior Executive team. The new structure will centralise many functions previously distributed across branches, bringing greater efficiency and a more streamlined service delivery for our stakeholders and a more effective working environment for our staff.

Aboriginal Land Council Elections

The election conducted on behalf of the NSW Aboriginal Land Council on Saturday, 31 October 2015 for all regions was an overwhelming success. There was a 7.59 per cent increase in the election participation rate, from 25.53 per cent in 2011 to 33.12 per cent in 2015. There were 23 more polling places available for the 2015 election, an increase of 16.55 per cent.

Local Government Amalgamations and two tranche elections

In September 2014, the NSW Government released its “Fit for the Future” program, following a three-year Independent Review of Local Government. The program involves the amalgamation of a number of NSW local councils. In the context of these amalgamations, the state-wide local government elections have been split into two tranches, the first tranche being held on 10 September 2016.

Legislative Amendments

New powers under the *Parliamentary Electorates and Elections Act 1912* enable the investigation of offences previously enforceable only by the NSW Police. Legal Branch has prepared legislative amendment proposals and represented the NSW Electoral Commission's interests in relation to legislation impacting on the conduct of State and Local Government Elections and the regulation of campaign finance for these elections.

PMO

In many ways, the NSW Electoral Commission is a project-based organisation. We run a program of projects for each election event, and have a number of ongoing projects outside of these events to improve the delivery of our services, both internally and externally. The establishment of a permanent Portfolio Management Office will enable us to build our project management capability and make more informed decisions about the projects we chose to implement, assessing them against an objective set of criteria underpinned by strong governance.

The Year Ahead

The new Electoral Commissioner, John Schmidt, commenced on 8 August 2016. This timing provides an excellent – and early – opportunity for him to observe a major election event in progress.

The second tranche of council elections, for newly amalgamated councils, is scheduled to be conducted in 2017.

At the time of reporting, three state by-elections will occur within the next reporting period, following the resignations of Member for Canterbury, Hon Linda Burney MP, and Andrew Gee MP, Member for Orange, and the retirement of Member for Wollongong, Noreen Hay MP.

The NSW Electoral Commission is also in the process of planning and/or implementing a number of strategic projects that will strengthen our governance and improve the services we provide to our election stakeholders:

- **Data analytics.** The NSW Electoral Commission uses data from previous election events to model voting projections, logistics, and staffing. Following elections, we use data collected to report to Parliament on the conduct of the election. We engaged PwC to develop an analytics framework and strategic roadmap that will enable us to increase the value that we derive from the data we collect during elections. This will enable more meaningful reporting and the ability to better plan future election events. The purpose of this project is to support NSWEC's core function of Election Event delivery through the provision of accurate and reliable planning and forecasting data. The first phase of the project commenced in late 2015, with a consultancy analysis of NSWEC's data analytics capabilities and requirements. The subsequent report provides a roadmap for building capabilities and optimising existing data management processes and supporting tools.
- **Complaint management process.** This project will ensure that the NSW Electoral Commission manages complaints in line with the standards set by the NSW Ombudsman. We will be analysing the current workflow process associated with complaints and will use this data to better understand how we can make this process more efficient and provide better service to our stakeholders.
- **Policy Framework.** Our objective with this project is to centralise our policies into a virtual library, and increase the robustness of our monitoring and reviewing of policies across the organisation.
- **Tools for Financial Management Reporting.** We are implementing improved technology tools for Project Owners to monitor and manage their budgets effectively. The NSWEC has been operating its current financial management system for more than a decade. In the light of added business functions and demand to provide further Management Reporting it is timely to review the core system. We will conduct a feasibility study into options available, including integrated systems such as SAP.
- **Review of Warehousing Operations.** The lease for our warehouse is coming to an end. This presents us with an opportunity to see if we can derive better value for money through relocating or outsourcing the functions undertaken at that facility. At present the Riverwood property is used as, among other functions, a data entry centre. The warehouse is no longer considered 'fit-for-purpose' as a data entry centre due to inherent ICT Risk and WHS issues in housing a large workforce in a non-purposed facility. Further, Government ICT Policy requires all IT data centres to move to 'GovDC' by August 2017.
- **Electronic Mark-Off.** We are constantly looking to improve the voting experience of electors. Consequently, we are developing an application that can be loaded onto tablet devices, to enable electronic mark-off of elector names from the roll, to be used in polling places for all major elections within the state. We anticipate that using an electronic mark-off which will be much more efficient than looking up and marking off names on a paper roll and will reduce the amount of time it takes electors to vote in a polling place. Once fully deployed, this solution positions us to implement full electronic mark-off of electors, making issuing ballot papers more efficient. This will reduce waiting times for electors, administrative errors, and turn-around time to identify non-voters. It will also improve data insights. We have an arrangement in place with our Queensland and Victorian counterparts to share a pool of tablets, and the electronic mark-off solution is designed to be compatible with the existing pool of about 6,500 tablets. We are on track to complete the first phase of the project – a working pilot – by November 2016.

Report of the Acting Electoral Commissioner continued

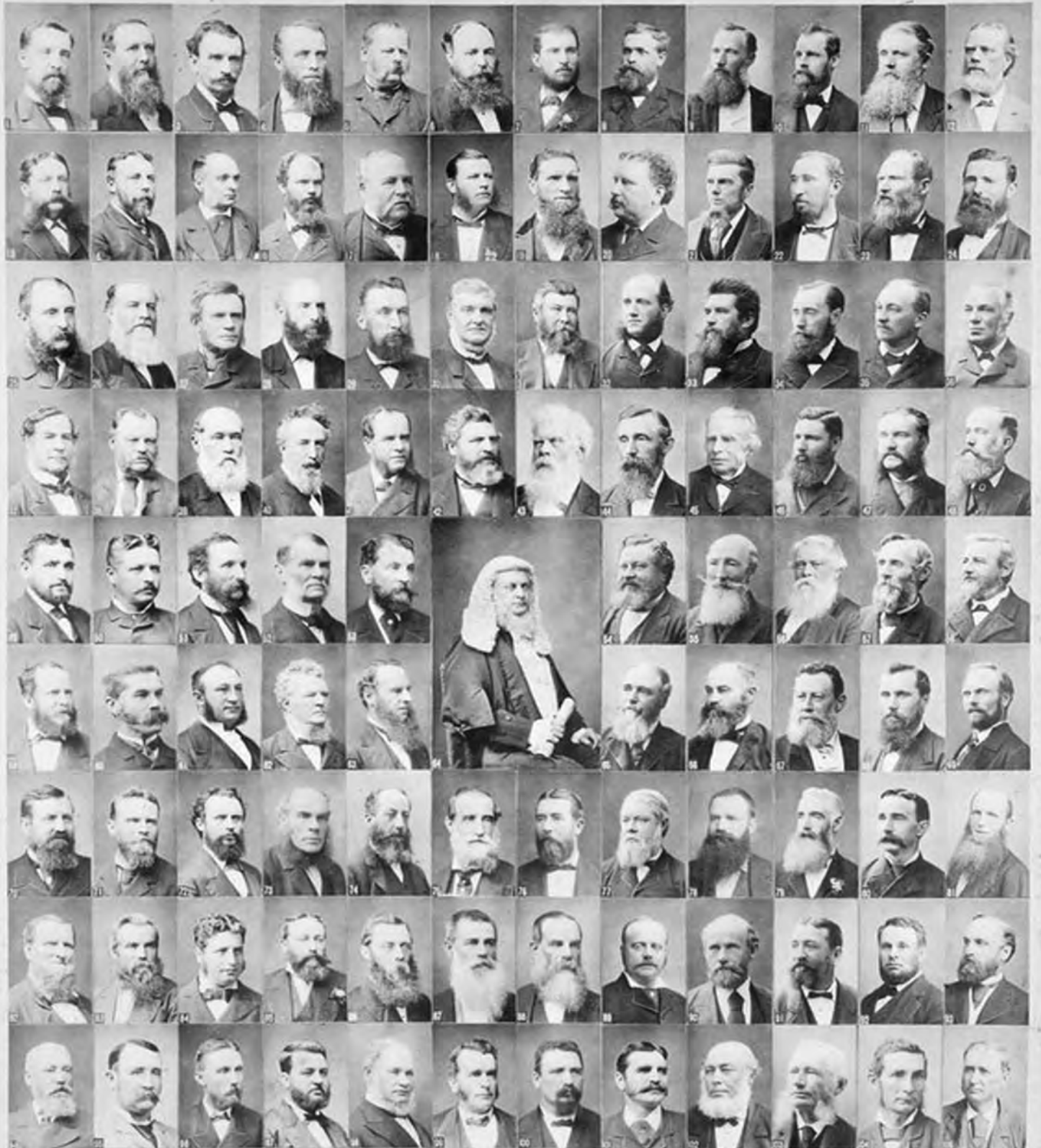
- **PMO.** We are building a database of projects to rationalise reporting and monitoring. We have also created a database containing a report which will form the basis of the individual council reports for the 2016 Local Government Elections. This will reduce human error by allowing us to input a direct feed of data rather than entering statistics manually.
- **iVote in WA.** The Western Australia Electoral Commission (WAEC) now has enabling legislation to implement online voting in their forthcoming General Election in March 2017. The NSWEC is working closely with WAEC to share the technology of iVote and the knowledge and expertise we have gained through its implementation since 2011 in NSW.
- **Human Capital Management System (HCMS).** The Public Service Commission has set a target for every NSW agency to implement a HCMS by 2018. The NSWEC has undertaken Phase 1 of the project, developing the business case for a HCMS, documenting our business requirements, and reviewing supplier products. Phase 2 will look at the feasibility for implementation of a HCMS.
- **Online Disclosure system for donations.** Such a system was highlighted in the report of the Panel of Experts: Political Donations, and supported by a recommendation of the JSCEM. The government has given in-principle support to this initiative. The NSW Electoral Commission is implementing a real-time online disclosure system, in conjunction with a website to share such information and provide analysis and tools for research. This will better service the needs of both election participants and the public in terms of real time reporting and transparency.
- **Investigations Matter Management System.** We are implementing a matter management system to facilitate efficient, evidence based investigation of offences under the PEE, EFED and LOGO Acts by the NSW Electoral Commission inspectors.

I am proud to have led the NSWEC through the first half of 2016, and would like to thank all the staff at the Commission for their dedication to their work, their commitment and enthusiasm, and in particular, their professionalism and integrity. This sits at the heart of our value set and enables the NSWEC to maintain a strong positive reputation amongst electoral jurisdictions.



Linda Franklin PSM
Acting Electoral Commissioner

FIRST LEGISLATIVE ASSEMBLY OF N.S. WALES, ELECTED UNDER NEW ELECTORAL ACT OF 1880.



1 MURRAY, H. L.	26 SMITH, R. B.	51 ADDITT, H. P.	67 ROSS, DR. A.	83 YOUNG, J. H.	99 BAKER, E. A.	115 BYRNE, A.
2 WISE, E.	27 FRENCH, A. H.	68 SEE, J.	68 POSE, W. T.	84 BARTON, R.	100 WATSON, J.	116 TEECE, W.
3 ARDILL, F.	28 WATSON, W. J.	69 PHIPPS, J. W.	69 CARTER, G. L.	85 GARRARD, J.	101 FITZPATRICK, M.	117 GARDNER, J.
4 KEVIL, H. L.	29 FARNELL, J. S.	70 MYERS, P. C.	70 WILKINSON, D. B.	86 TURNER, W.	102 CLARKE, W.	118 SADDLER, H. S.
5 JENNINGS, H. L.	30 SMITH, T. H.	71 PARKES, G. R.	71 LEVY, C. H.	87 ALLEN, A. H.	103 JACOB, A. H.	119 MARTIN, W. F.
6 WILKINSON, J. P.	31 HOLLOWAY, W. H.	72 FOSTER, W.	72 LLOYD, E. A.	88 BIRCHALL, S.	104 BIRCHALL, S.	120 JONES, S. W.
7 WILKINSON, J. P.	32 RYAN, C. J.	73 SUTTON, F. B.	73 FOSTER, W. J.	89 WOODLOCK, A. H.	105 WOODLOCK, A. H.	CLERK OF ASSEMBLY
8 WILKINSON, J. P.	33 THOMPSON, J. B.	74 MCKENZIE, J. H.	74 FOSTER, W. J.	90 TOOTH, B. L.	106 TOOTH, B. L.	
9 COOKE, H. H.	34 BODGE, J.	75 CLARKE, H.	75 CLARKE, H.	91 DRAWHIE, J.	107 DRAWHIE, J.	CLERK ASSISTANT
10 WILKINSON, J. P.	35 TYNE, W. J.	76 BUCHANAN, B.	76 BUCHANAN, B.	92 GOODWIN, G. C.	108 GOODWIN, G. C.	
11 BURNIE, J. P.	36 CLARKE, H.	77 HAY, C.	77 HAY, C.	93 SLATTERY, T. W.	109 SLATTERY, T. W.	
12 BURNIE, J. P.	37 TILLY, S. H.	78 BUCHANAN, B.	78 BUCHANAN, B.	94 EASS, S. E.	110 EASS, S. E.	
13 BURNIE, J. P.	38 ARDILL, J. P.	79 BUCHANAN, B.	79 BUCHANAN, B.	95 LEVY, S.	111 LEVY, S.	
14 BURNIE, J. P.	39 FARNELL, J. S.	80 BUCHANAN, B.	80 BUCHANAN, B.	96 WILSON, J.	112 WILSON, J.	
15 BURNIE, J. P.	40 SMITH, T. H.	81 BUCHANAN, B.	81 BUCHANAN, B.	97 WILSON, J.	113 WILSON, J.	
16 BURNIE, J. P.	41 HOLLOWAY, W. H.	82 BUCHANAN, B.	82 BUCHANAN, B.	98 WILSON, J.	114 WILSON, J.	
17 BURNIE, J. P.	42 THOMPSON, J. B.	83 BUCHANAN, B.	83 BUCHANAN, B.	99 WILSON, J.	115 WILSON, J.	
18 BURNIE, J. P.	43 BODGE, J.	84 BUCHANAN, B.	84 BUCHANAN, B.	100 WILSON, J.	116 WILSON, J.	
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21 BURNIE, J. P.	46 TILLY, S. H.	87 BUCHANAN, B.	87 BUCHANAN, B.	103 WILSON, J.	119 WILSON, J.	
22 BURNIE, J. P.	47 ARDILL, J. P.	88 BUCHANAN, B.	88 BUCHANAN, B.	104 WILSON, J.	120 WILSON, J.	
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94 BURNIE, J. P.	119 ARDILL, J. P.					
95 BURNIE, J. P.	120 FARNELL, J. S.					

Report of the Chief Financial Officer



CFO Report – Annual Report 2015-16

In 2015-16, the NSW Electoral Commission started work on the program for conducting the September 2016 Local Government Elections. Councils can choose whether to have their elections delivered by the NSW Electoral Commission, by private sector operators or conduct them themselves. It is pleasing to report that 142 of the (then) 152 councils contracted the NSWEC to conduct their 2016 elections, an increase from the 136 which retained our services at the 2012 Local Government Elections.

The Election Program operates under the governance structure of an Election Program Board. Delivering this program will be the major focus and financial revenue and expense for the coming year. See Appendix A for details of the Election Program projects.

Revenue

At \$62.3 million, revenues fell below the budget of \$70.0 million by \$7.7 million, largely as a result of a drop in the accrued income on Local Government Elections. A large proportion of the NSW Electoral Commission revenue is provided from the NSW Government Treasury Consolidated Fund. Separate appropriations are allocated for Recurrent and Capital works. Within the Recurrent Appropriation, the NSWEC receives protected item funding for specific

delivery services, which is accounted for independently. For 2015-16, accrued charges to local councils for election services were lower than budget by \$4.9 million, as a result of timing differences in the project delivery. The Capital works budget allocation was underdrawn by \$4.4 million, and these funds will be carried forward for delivery of projects in 2016-17. We received no grants from any other government agency this year.

Expenditure incurred

Expenses incurred vary depending on the election cycle. The NSW Electoral Commission delivered its services within the 'Net Cost of Services' allocation made by Treasury. Total expenses of \$59.5 million were under budget by \$10.1 million. The reduced expenditure is largely because we withheld payments from the Election Campaigns, Administration and Policy Development Funds through the Funding, Disclosure and Compliance regime. Once the relevant disclosure requirements are met, the NSW Electoral Commission will release these funds¹. We also had reduced expenditure on local government election projects, and nil expenditure on state by-elections: there were no by-elections held in 2015-16. Commonwealth charges under the Joint Roll Agreement were discounted to \$3.0 million by agreement, against budget of \$4.7 million.

Net Result

The actual net result was \$2.3 million higher than the budgeted amount of \$0.5 million. Total expenses were \$10.1 million lower than budget. This was due to lower local government election costs in 2015-16 from the reduced number of council elections to be held in September 2016, discounted payments to the Commonwealth for the joint roll agreement of \$1.3 million, reduced depreciation of \$2.6 million and a \$0.8 million saving from no by-elections being held during the year. This reduction in expenses was partially offset by a corresponding decrease in revenue from government funding for the lower local government election costs and discounted payments to the Commonwealth.

1. Funds were released in September 2016.

Restructure

During this year, the NSW Electoral Commission began a restructure that will reduce eight operating branches to four divisions. In the first phase, a number of positions were deleted from the organisation structure, with the \$475,000 cost of redundancies associated with these positions met by the NSWEC. We expect the restructuring program to be completed in 2016-17, and anticipate that the total employment cost after the completion of the restructure will be no larger than the current employment cost.

Investment in Assets

The NSW Electoral Commission had \$23.6 million in assets as at 30 June 2016. The value of assets increased by \$1.3 million from the previous year, largely because of increased receivables from councils on local government election expenses. Investment in Plant & Equipment and software systems fell from \$14.3 million to \$13.9 million, as the rate of new investment slowed from previous years and dipped below the depreciation and amortisation expense.

The major capital project presently under development is the Roll Management System. When operational, this system will modernise the basis on which the electoral roll is updated and maintained. The capital budget for the year was \$4.2 million. Following delivery delays, the project will continue into the next financial year. Capital Appropriation funding of \$1.4 million has been carried forward for completing the project.

Our IT infrastructure allows the NSW Electoral Commission to be ready to conduct elections. We updated the system during the year, with a total investment of \$0.8 million. Future ICT business investment is likely to move towards service as a delivery rather than ownership of assets.

The NSWEC commenced work on an 'Investigations System' to manage and track breaches of the *Parliamentary Electorates and Elections Act 1912*. We have allocated \$0.6 million to this system, with delivery for 'go-live' expected in 2016-17.

Two capital works projects, universal postal voting and a ballot countback system to reduce the need for by-elections, await further legislation before continued development.

Administered Revenue

The NSW Electoral Commission collects fines on behalf of the state as 'Administered Revenue'. At the beginning of the financial year, the receivables for 'Fines for failure to vote' were \$19.3 million. Of this amount, \$2.1 million in fines was paid to the NSWEC, \$6.8 million excused after electors provided valid reasons for their failure to vote, and \$10.5 million referred to the Office of State Revenue for further action. The fines collected by the NSW Electoral Commission are remitted to NSW Treasury as part of Consolidated Revenue.

Statement of Financial Position

Total Liabilities reduced from \$5.5 million to \$3.9 million, largely representing a lower level of liability to creditors. This is as would be expected at a June 2016 close in the four-year operating cycle of election events. Net Equity increased from \$16.8 million to \$19.6 million largely due to strong receivables with lower creditor liabilities.

Controlled Entity

The NSW Electoral Commission Staff Agency provides personnel services to the New South Wales Electoral Commission. The NSWEC paid the agency \$10.8 million for these services in 2015-16. This is a decrease from \$28.3 million in 2014-15, a State General Election year. For a State General Election we hire approximately 22,000 election officials and 4,500 office assistants. The only employee related payments directly borne by the parent entity the 'New South Wales Electoral Commission' are those of the Electoral Commissioner and the Commission members.

Report of the Chief Financial Officer continued

Finance Controls

We configured, tested and installed a Contract Management Module, as part of a program to ensure the NSW Electoral Commission has robust internal Financial Controls. This system, which interfaces with the Online Purchase Order system and General Ledger. It went live in July 2016.

As required under Treasury policy, I issued the Electoral Commissioner with a letter of certification dated 19 August 2016, giving an expression of opinion as to the effectiveness of internal controls over financial Information for the year ended 30 June 2016. I stated my opinion that the NSW Electoral Commission had an effective system of internal control, to ensure that financial information presenting the financial position and performance of the agency is true and fair in all material respects.

Future Events and Trends

The NSW electoral roll is expected to grow, and is already in excess of five million electors. Current electoral arrangements are increasing in cost. There is a trend for more electors to choose to pre-poll, which has a greater unit cost than Election Day voting, largely because of the cost of staffing and venue hire for a two-week period. In addition, the cost of postal voting has risen steeply due to changes in Australia Post's pricing and service delivery.

Online voting is available only for state elections, and not for local government elections. There are strict eligibility criteria for access, and online voting currently has a high unit cost. This is partially because of relatively small numbers, with just over 6 per cent of votes cast this way at present. Should policy change to broaden eligibility to cast an online vote, the unit cost would dramatically reduce.

At present, candidates are required to make nomination deposits via cash or bank cheque, a physical, paper-based, intensive process. A change to online payment would require legislative amendment.

The cost of technology continues to fall, allowing us to consider introducing more digital systems into polling places. The NSW Electoral Commission has worked with other state electoral commissions in sharing technology assets.



Trevor Follett
Chief Financial Officer

2015-16 Year at a Glance

This has been a year of successes and innovations. We conducted a variety of elections successfully, considerably improved the turnout and formality rate in the most recent NSW Aboriginal Land Council Election, and prepared for a round of Local Government Elections under unique circumstances. We also took on new powers and responsibilities.

Aboriginal Land Council Election

- Participation rate increased from 25.5 per cent in 2011 to 33.1 per cent in 2015; and
- Formality rate increased from 96.5 per cent in 2011 to 99.18 per cent in 2015.

Successful conduct of elections

- We conducted two local government by-elections and 32 club, statutory, and industrial ballots, earning \$1.086 million.

Preparation for the 2016 Local Government Elections

- For the 2016 elections, 142 of the 152 local government councils contracted our services.

Services for candidates and political parties

- \$24.3 million paid to candidates, groups and political parties as per requirements. Of these payments, \$9.4 million was from the Administration Fund, \$14.9 million from the Election Campaigns Fund, and \$24,288 from the Policy Development Fund. State registered parties reported donations of \$5,095,000, while local government parties reported donations of \$54,265; and
- We processed and published 4,685 declarations of disclosures for election participants and donors, covering the 2015 State Election.

Financial performance

- The NSW Electoral Commission received an unmodified audit opinion issued by the Audit Office of NSW.

About the New South Wales Electoral Commission

The New South Wales Electoral Commission (NSWEC) is an independent statutory authority established under the *Parliamentary Electorates and Elections Act 1912*. It is made up of three members. However, the day-to-day work of the NSWEC is carried out by the staff of the authority, and the term ‘Commission’ generally refers to the authority and its staff.

The governance framework and relationships of the NSWEC are shown below:

Figure 1 – NSW Electoral Commission Governance Framework and Relationships



The NSW Electoral Commissioner is appointed by the Governor of NSW, in accordance with section 21A of the *Parliamentary Electorates and Elections Act 1912*. The Electoral Commissioner is the Returning Officer for the periodic Legislative Council elections, and is also one of the three Electoral District Commissioners appointed by the Governor to carry out electoral district redistributions. In addition, the Electoral Commissioner administers the NSW state rolls and conducts state parliamentary elections and other elections as authorised by law. The Electoral Commissioner is not subject to the control or direction of the Electoral Commission in the exercise of his or her functions. The Electoral Commissioner is overseen by the Joint Standing Committee on Electoral Matters of the NSW Parliament.

For the purpose of employing staff to enable the Statutory Authority and the Electoral Commissioner to perform legislated functions, the NSW Electoral Commission is a public service agency under the *Government Sector Employment Act 2013*. The Electoral Commissioner is the head of this public service agency.

What we do:

We:

- Conduct elections and by-elections for the Parliament of NSW;
- Conduct general elections and by-elections for local government councils who request our services;
- Conduct elections for registered clubs, statutory boards, the NSW Aboriginal Land Council and state registered industrial organisations;
- Prepare the NSW electoral roll, in conjunction with the Australian Electoral Commission;
- Administer electoral funding legislation, including maintaining a scheme of public funding;
- Provide advice to the Premier on issues affecting the conduct of state elections and by-elections, including issues requiring legislative remedy;
- Contribute to public understanding and awareness of elections and electoral matters; and
- Report to the NSW Parliament on the NSW Electoral Commission’s activities.

Our history

The NSW Electoral Commission’s roots in the development of representative government date back to 1843, when the Elections Branch in the Chief Secretary’s Department conducted the first election of 24 representatives to the NSW Council. In 1928 the office of Electoral Commissioner

was established under the *Parliamentary Electorates and Elections Act 1912*, with the Electoral Commissioner appointed as a statutory officer.

The NSW Electoral Commission's functions have altered over time, most recently with the proclamation of the *Electoral and Lobbying Legislation Amendment (Electoral Commission) Act 2014*. Among other things, the Act abolished the Election Funding Authority and transferred its functions to the NSW Electoral Commission.

The reconstituted NSW Electoral Commission also was given a mandate to investigate and enforce compliance with the *Parliamentary Electorates and Elections Act 1912*, the *Election Funding, Expenditure and Disclosures Act 1981* and the *Lobbying of Government Officials Act 2011*.

Figure 2 – NSW Electoral Commissioners from 1927 to 30 June 2016

ELECTORAL COMMISSIONER	PERIOD OF OFFICE
E.B. Harkness	1927
D.S. Edwards	1930
H.V. Gould	1935
Edward Bennetts	1947
J.M.O. McDonnell	1962
C.W. Prince	1972 – 1974
W.R. Cundy	1974 –1982
A.L. Barnet	1982 –1984
E.I. Dickson	1984 –1999
John Wasson	1999 –2004
Colin Barry	2004 – 2015

Development of the NSW Electoral System¹

Appointing the first Legislative Council, 1823

In 1823 a Legislative Council of five appointed members was established, to advise the Governor. Although Council membership increased over the following years, all members continued to be appointed by the Governor.

Holding the first elections

The British Parliament passed the *New South Wales Constitution Act 1842*, increasing Legislative Council membership to 36. Twelve members were appointed by the Governor, with the other two-thirds elected by land owners and householders who fulfilled property qualifications. The first election in Australia was held in 1843. The Governor could dissolve the Council if it proposed a bill with which he disagreed.

1. Based on information from the NSW Parliament's website.

With the passing of the *Australian Colonies Government Act 1850* by the British Parliament, the Legislative Council expanded. By 1851 there were 54 Council members, two-thirds of them elected.

Forming a bicameral Parliament

From 1856, following a revision of the *Constitution Act 1855*, a new bicameral Parliament was formed. The Legislative Council consisted of a minimum of 21 members, nominated by the Governor on the advice of the Executive Council, initially appointed for five years and thereafter for life.

The Legislative Assembly was made up of 54 men, qualified and registered as voters. There were 34 electoral districts, 16 of which could return more than one member. Only men over 21 who met property or income requirements were eligible to vote.

At first, only landowners had the right to vote. *The Electoral Reform Act 1858* gave almost every adult male in NSW the right to vote, and to cast a secret ballot. Although electoral boundaries were changed in 1858 to better reflect population distribution, a country vote remained worth almost twice a city vote.

Payment for members of parliament was introduced in 1889. Until 1893, elections took place over several days and were held at different times in different electorates. A candidate defeated in one electorate could run in another electorate.

In 1893 the principle of 'one man, one vote' was enshrined. By 1900, there were 69 Legislative Councillors and 125 Legislative Assembly seats.

Following Federation

The colonies formed a federation in 1901 with an Australian Constitution. Following a referendum, the Legislative Assembly was reduced to 90 seats.

Gaining the right to vote

Women gained the right to vote in NSW elections in July 1902, followed by the right to become members of parliament (Legislative Assembly in 1918 and Legislative Council in 1926). The first woman elected to the NSW Parliament, Millicent Preston-Stanley, served in the Legislative Assembly from 1925 to 1927. In 1931, Catherine Green and Ellen Webster became the first women appointed to the Legislative Council.

In 1962, all Indigenous Australians gained the right to vote in all state and federal elections. In 1984, voting became compulsory.

About the New South Wales Electoral Commission continued

Finding a voting method

Initially, counting of votes for the Legislative Assembly used the first-past-the-post system, where the candidate who gained a simple majority of votes was elected. Compulsory preferential voting was introduced in 1928. In 1979, the system was modified to allow optional preferential voting.

Figure 3 – Absentee voting at Sydney Town Hall polling station, 1935 NSW State Election



Image courtesy of State Library of NSW.

Reforming the Legislative Council

A 1933 referendum created a Legislative Council of 60 members, elected by members of both Houses of Parliament, for a term of 12 years, with 15 members to retire every three years.

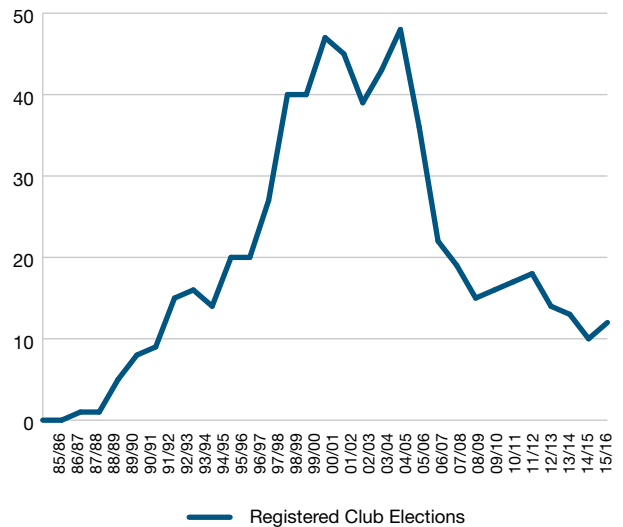
The Legislative Council was reformed again in 1978, and reduced to 45 members, elected by popular vote on a state-wide basis. In 1991 the Council was further reduced to 42 members, each elected for an eight-year term. Half the Council Members (21) must retire or stand for re-election at each general election.

The Long View from 1985-2016

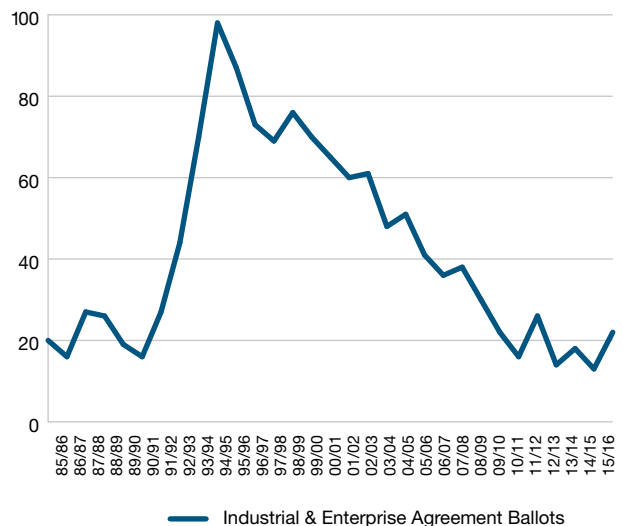
In 1986, the (then) State Electoral Office produced its first Annual Report. In the 30 years since, much has changed, in both the type and number of elections conducted. This report provides an appropriate opportunity to look back at the issues and events captured in its predecessors. The graphs following show trends in the conduct of parliamentary by-elections, council by-elections, industrial and enterprise ballots, and registered club elections. All show a decline in incidence from 1985-86 through to 2015-16.

The highest annual number for both council and registered club elections was 50. These have steadily reduced to the present day.

Graph 1 – Number of Registered Club Elections, Annual Reporting Years 1986-2016

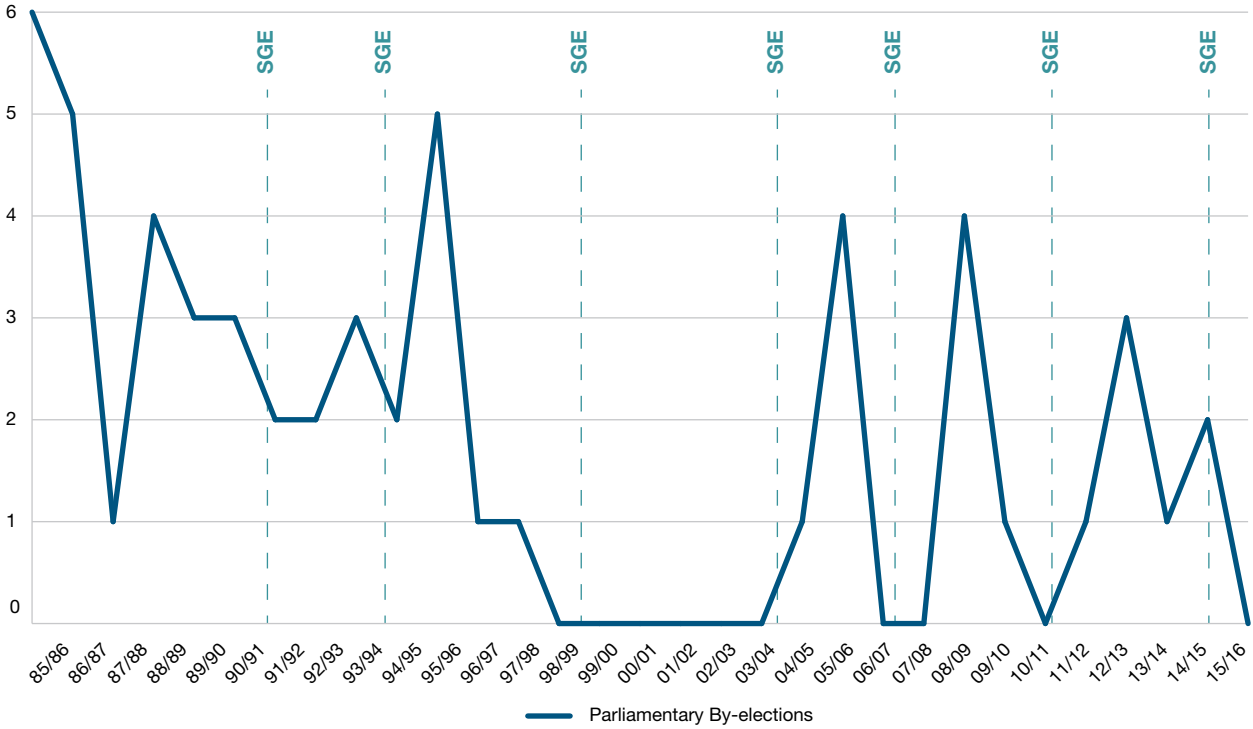


Graph 2 – Number of Industrial and Enterprise Agreement Ballots, Annual Reporting Years 1986-2016

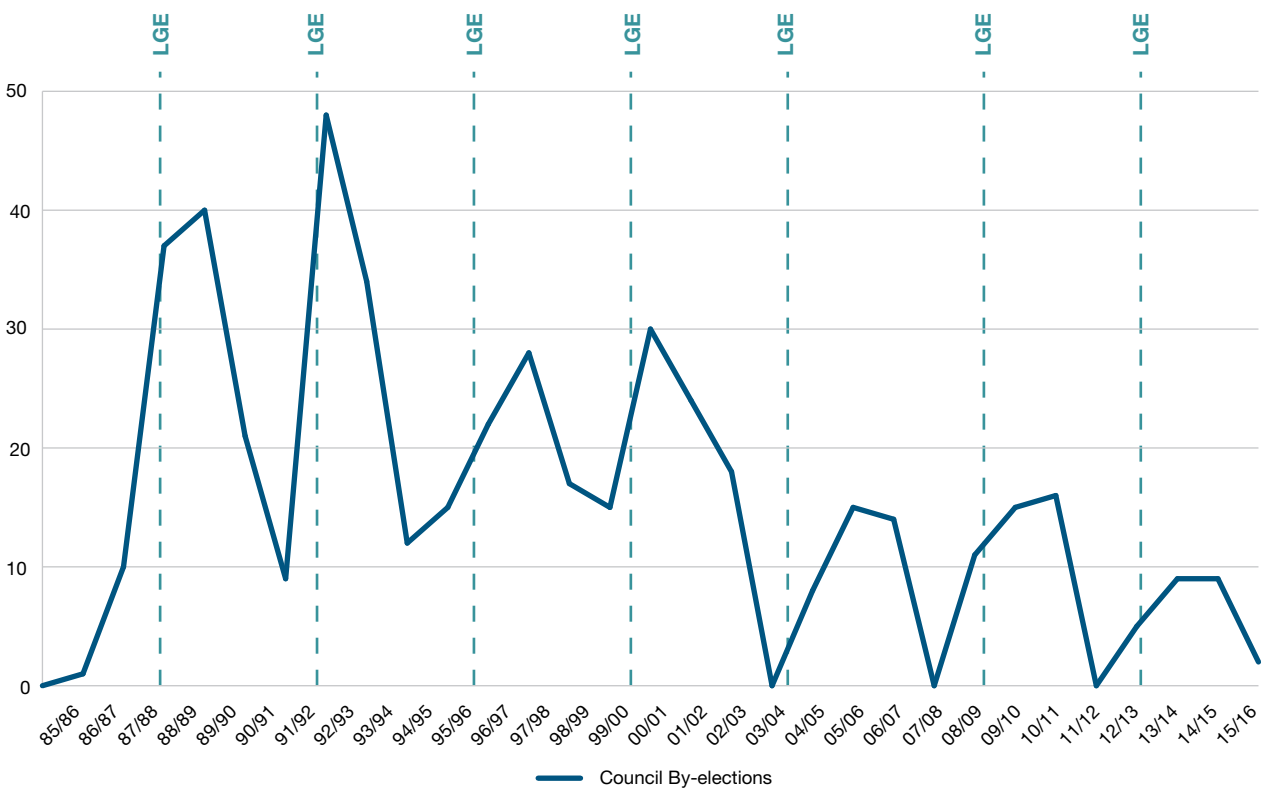


The most marked decline is in the number of industrial and enterprise ballots, reducing from a peak of almost 100 in 1994-95 to a little over 20 in 2015-16.

Graph 3 – Number of Parliamentary By-elections, Annual Reporting Years 1986-2016



Graph 4 – Number of Council Extraordinary Elections, Annual Reporting Years 1986-2016



Members of the NSW Electoral Commission

The NSW Electoral Commission consists of a former Judge as Chairperson of the Commission, the Electoral Commissioner and a member with financial or audit skills. Current NSWEC members are:



1) A former judge appointed by the Governor as the Chairperson

Hon Keith Mason

AC QC BA LLB LLM

Keith Mason was admitted to the New South Wales Bar in 1972 and appointed Queen's Counsel in 1981. From 1985 to 1987, and again from 1989 to 1990, he was Chairman of the NSW Law Reform Commission. He was Solicitor-General for NSW from 1987-1997, until his appointment as President of the NSW Court of Appeal in 1997. Keith retired from the Court in 2008 and is currently a Visiting Professorial Fellow at the University of New South Wales. In 2013 Keith chaired the redistribution of NSW Electoral Districts required by the *Constitution Act 1902* (NSW).



2) A person appointed by the Governor who has financial or audit skills and qualifications relevant to the functions of the NSWEC

Len Scanlan

BBus BA MPubAd
Company Directors Diploma,
Fellow of the Australian Institute of
Company Directors.

Len Scanlan was Auditor-General of Queensland from 1997 to 2004, during which time he was also the CEO, Queensland Audit Office. Len has since pursued a successful career as an independent consultant, which has included service on audit committees, as a Non-Executive Director and general consulting work. Len is a Fellow of the Institute of Public Administration Australia and an Adjunct Professor at the University of Queensland.



3) The New South Wales Electoral Commissioner

Colin Barry

BA BEd
(until 31 December, 2015)

Colin Barry was appointed Electoral Commissioner for New South Wales on 1 July 2004. Previously, he served as the Electoral Commissioner for Victoria from 1999, and Deputy Electoral Commissioner in Victoria from 1989. Before joining the Victorian Electoral Commission, Colin had a career in education.



Linda Franklin PSM

(from 1 January 2016 to 7 August 2016)

Linda joined the NSWEC in 2009 as Director, Elections Branch. Prior to this, Linda was the Executive Director, Planning and Operations for the World Catholic Youth Day Co-ordination Authority.

Deputies to the Chairperson and Member

The *Parliamentary Electorates and Elections Act 1912* provides that the Governor may appoint a deputy for each member.



The Hon Joseph Campbell QC was appointed as the deputy of the Chairperson, Hon Keith Mason AC QC. Mr Campbell was a judge of the NSW Supreme Court from 2001 until his retirement in 2012, serving first as a judge in the Equity Division and then as a Justice of the Court of Appeal. Mr Campbell has held a wide range of positions, including as a Member of the Legal Profession Admission Board since 2008, and as Member and Deputy Chair of the Legal Qualifications Sub-Committee since 2006. In 2013 Mr Campbell was elected as a Fellow of the Australian Academy of Law and became an Adjunct Professor at the University of Sydney.



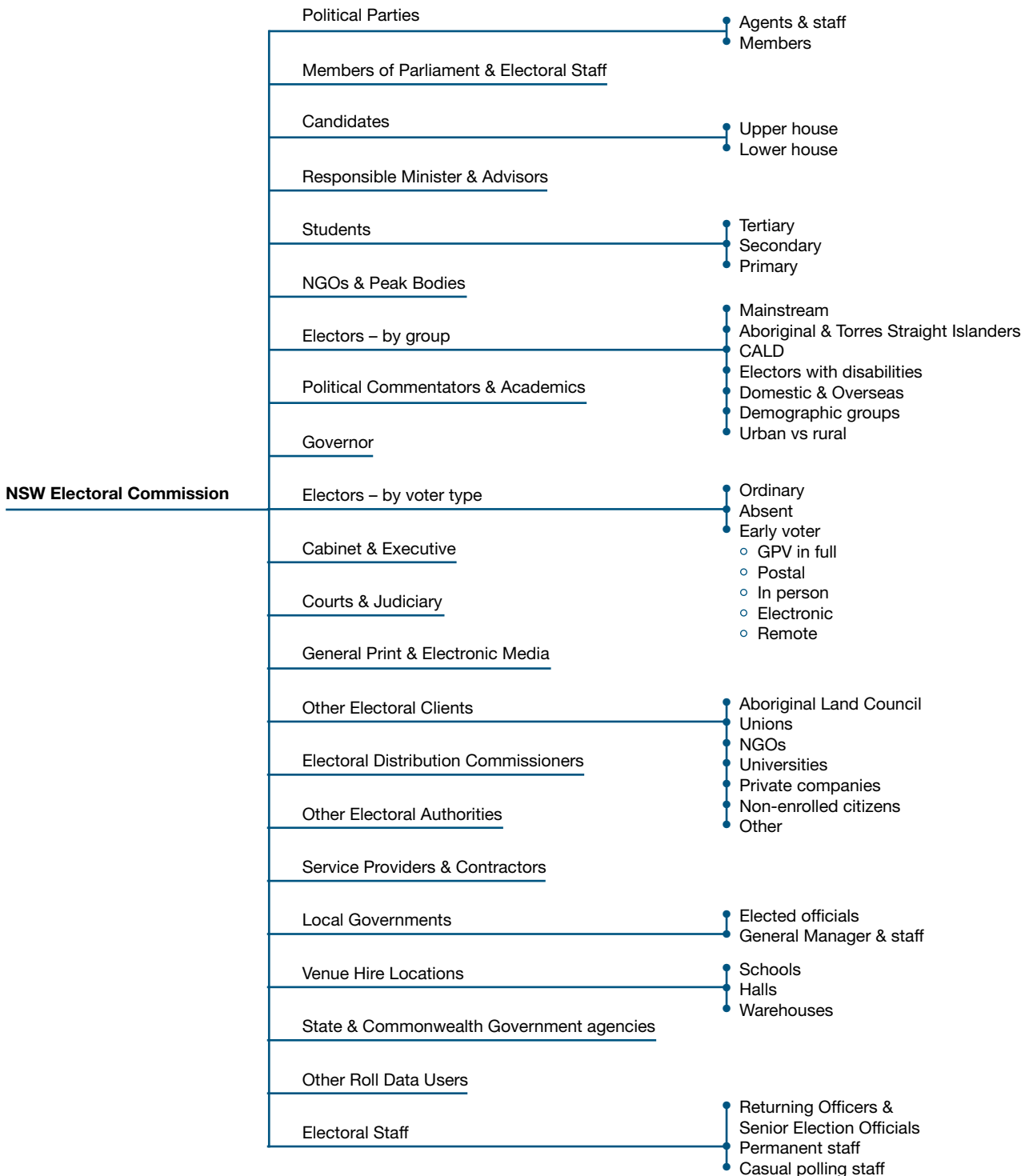
Mr Bob Sendt was appointed as the deputy of NSWEC Member Mr Len Scanlan. Mr Sendt had a long career in the NSW public sector, including a seven-year term as NSW Auditor-General, and is the current and inaugural Administrator of the National Health Funding Pool. Among his many public roles have been Chair of Healthdirect Australia, and of Job Futures Ltd. Mr Sendt is also a Fellow of the Australian Institute of Company Directors, of CPA Australia and of the Institute of Public Accountants. He resigned in February 2016 to take up the role of Chairman, NSW Electoral Boundaries Commission.

Meetings of the NSWEC during the reporting period are detailed in Section 4.

Our stakeholders

As a fundamental part of, and instrument of, the democratic process in NSW, we serve the people and electors of NSW; the NSW Parliament; the Premier; Minister for Local Government; local councils; NSW Aboriginal Land Council; registered political parties; the media; candidates and other participants at elections. As a provider of non-government election processes, we serve registered clubs, statutory boards and industrial organisations.

Figure 4 – NSW Electoral Commission’s stakeholders



Our operating environment

Our business is governed by various pieces of NSW legislation. We operate under the:

- *Constitution Act 1902*;
- *Parliamentary Electorates and Elections Act 1912*;
- *Election Funding, Expenditure and Disclosures Act 1981*;
- *Local Government Act 1993*;
- *City of Sydney Act 1988*;
- *Registered Clubs Act 1976*;
- *Industrial Relations Act 1996*;
- *Aboriginal Land Rights Act 1983*;
- *Privacy and Personal Information Protection Act 1998*;
- *Government Information (Public Access) Act 2009*;
- *Public Finance and Audit Act 1983*;
- *Government Sector Employment Act 2013*; and
- *Lobbying of Government Officials Act 2011*.

We report to the Joint Standing Committee on Electoral Matters (JSCEM) as appointed by the NSW Parliament from time to time. The Committee holds inquiries into and reports on matters referred to it by either house of parliament or by a minister, in relation to electoral law or the conduct of major elections.

State and local government elections are conducted in a high profile environment, where impartiality, accuracy, reliability and efficiency are essential. Advances in

information technology have raised public expectations of the timeframes within which results are available. Following major elections, we survey members of the public on their satisfaction with our conduct of the process, and report these findings to the Parliamentary Committee.

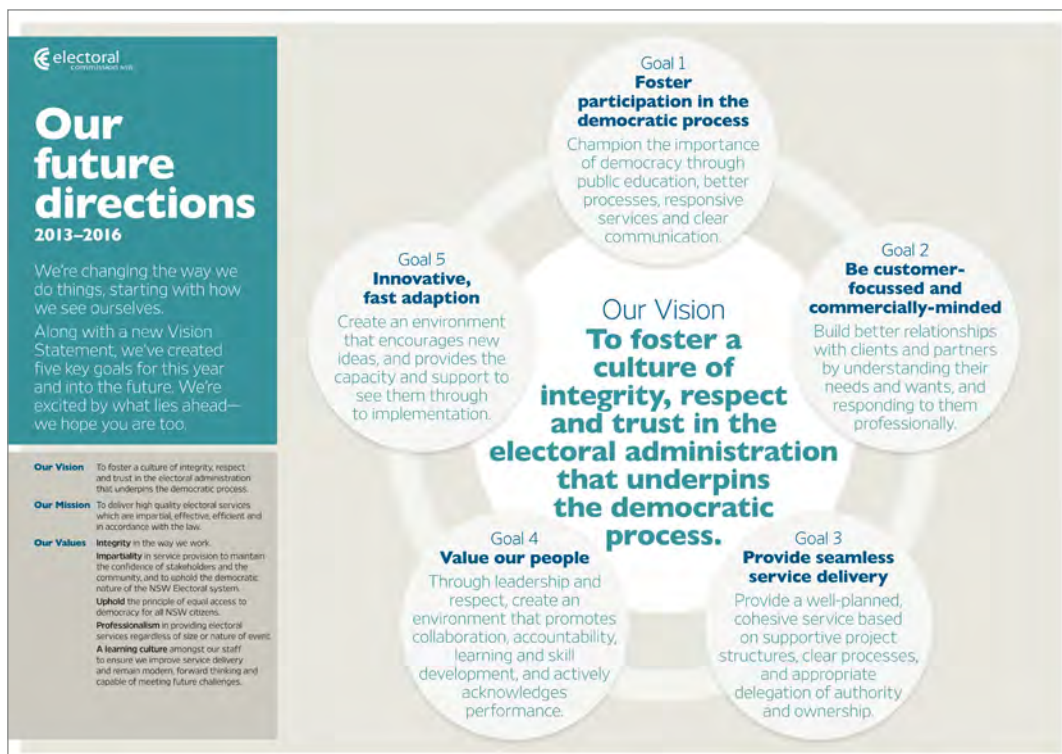
Our Vision and Values guide our organisation, both operationally and culturally.

Our Vision

We aim to be recognised as the respected authority and pre-eminent provider of the electoral events, services, and regulation which underpin democracy.

Our Values

- Integrity in the way we work;
- Impartiality in service provision to maintain the confidence of stakeholders and the community, and to uphold the democratic nature of the NSW Electoral system;
- Uphold the principle of equal access to democracy for all NSW citizens;
- Professionalism in providing electoral services regardless of size or nature of event; and
- A learning culture amongst our staff to ensure we improve service delivery and remain modern, forward thinking and capable of meeting future challenges.



Executive Management Team



Colin Barry
Electoral Commissioner
(till 31 December 2015)
BA, BEd.

Colin Barry was appointed Electoral Commissioner for New South Wales on 1 July 2004. Previously, he served as the Electoral Commissioner for Victoria from 1999 and Deputy Electoral Commissioner in Victoria from 1989. Before joining the Victorian Electoral Commission, Colin had a career in education. He retired on 31 December 2015.



Linda Franklin PSM
Dip. Human Res Mgt, GradCert.
Change Mgt.

From 1 January 2016 Linda became Acting Electoral Commissioner. Linda joined the NSWEC in 2009 from the World Catholic Youth Day Co-ordination Authority, where she was Executive Director, Planning and Operations. Linda previously worked in the Department of Premier and Cabinet in Protocol and Special Events.



Trevor Follett
Director Finance
BCA, MIPA

Trevor joined the NSWEC in late 2005 after 20 years in the private sector. He was Finance Director for a private education business and also held the position of Secretary, Electoral Funding Authority.



Jennifer Nilsen
Director Human Resources
B.SocSc, Grad Dip EmpReIns,
M. Bus EmpReIns.

Jen joined the NSWEC December 2014, bringing over 20 years of experience in executive human resource roles across industries and internationally. Jen is responsible for the NSWEC's human resources functions and the organisational challenges of its strengthened regulatory role.



Paul Beeren
Director Enrolment

Before joining the NSWEC in 2006, Paul spent over 25 years in the utilities industry, in a variety of senior management, marketing and technical roles. Paul has a strong background and interest in systems, modelling and innovation.



Dr Elizabeth Coombs
Director Performance Measurement
(part-time)

PhD, BA (Hons), Grad Dip Marketing Mgt, Grad Dip Company Directors
Elizabeth joined the NSWEC in 2007 after a public service career that included roles as Commissioner for Fair Trading and Commissioner, Local Government Grants Commission. Immediately prior to joining the NSWEC Elizabeth was a management consultant.



Ian Brightwell

Director IT Services

MAppSc; MEngSc; BEng, MIEAust

Ian was appointed Director, IT Services in 2006, following a career as a consultant on IT operations and planning. He retired in late April 2016.



John Cant

BEng.

John Cant has a BEng. (Hons) in Electrical and Electronic Engineering and has worked in the IT Industry for almost 30 years. Before joining the NSWEC John was IT Director for the AFC Asian Cup Australia 2015 Football Tournament. He has significant major event experience, having worked on four Olympic Games, most recently as Programme Manager in the technology team for London 2012.



Sonja Hewison

Director Legal

BA, LLB, Grad Dip Leg Pract.

Sonja joined the NSWEC in 2008 after seven years with the Department of Local Government. Sonja brings considerable expertise in policy development and legislation, applying these to the development of electoral policy and legislative advice.



Alison Byrne

Director Funding, Disclosure and Compliance

BSocSc, LLB (Hons), Grad Dip Legal Practice, MBA

Alison joined the NSW Electoral Commission in late 2011. Alison has been a lawyer for over 15 years, with experience in investigations, prosecutions and litigation. She was appointed to her current role in February 2015.



Simon Kwok

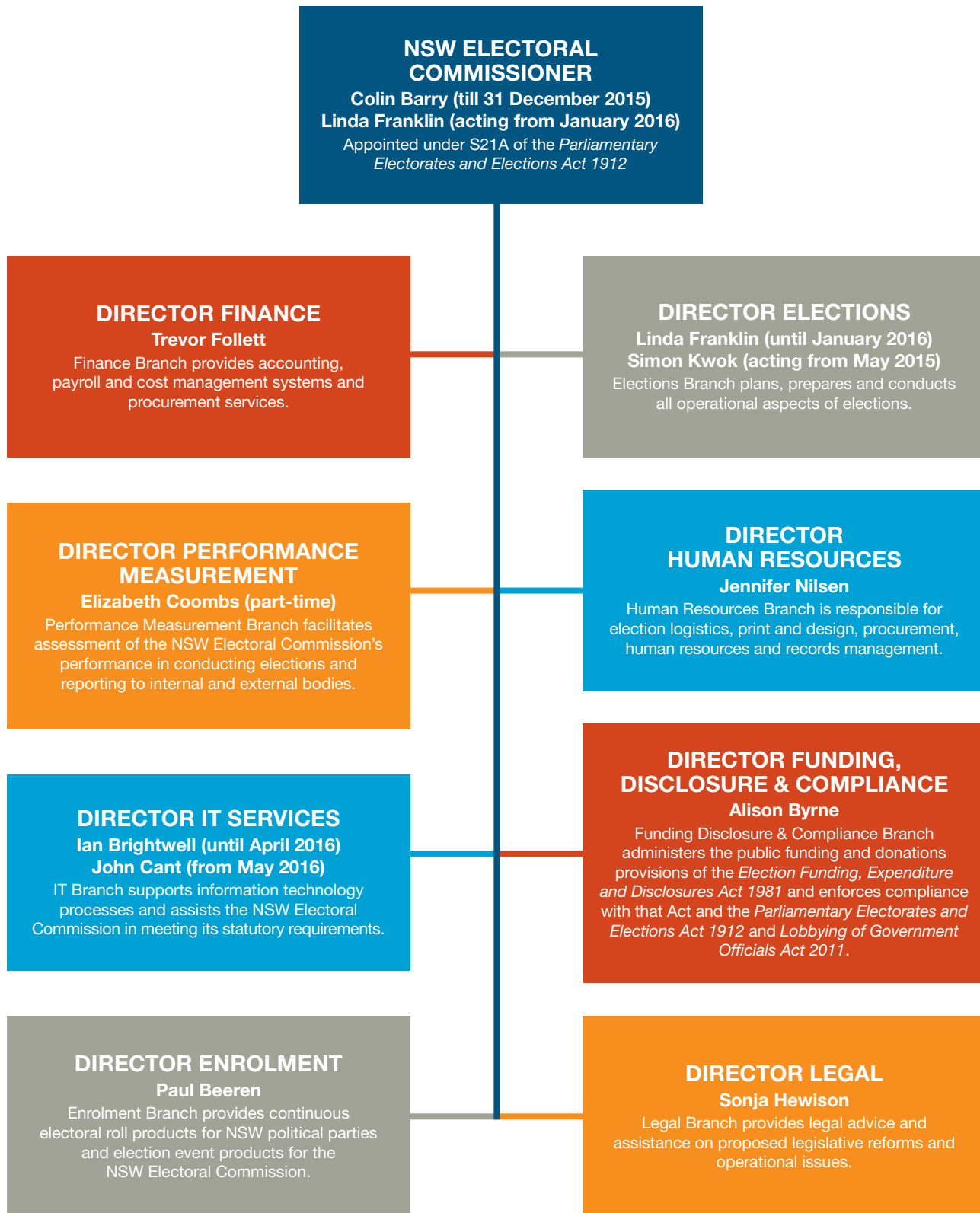
Acting Director Elections

BE (Hons)

Simon has been acting as Director, Elections since May 2015. He worked on significant projects for the NSW Electoral Commission prior to commencing employment with the NSWEC in 2013. Simon previously worked in the information technology and business service industries.

Organisational Structure

AS AT 30 JUNE 2016





Conducting Elections

This section outlines the NSW Electoral Commission's conduct of elections throughout 2015-16 and the challenges and opportunities to be addressed in the coming financial year.

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Conducting Elections

We are responsible for conducting:

- Parliamentary General Elections and by-elections;
- NSW Aboriginal Land Council elections;
- Local council general elections and by-elections (if engaged to do so); and
- Elections for office holders in commercial, statutory and service organisations which contract us.

We provide assistance to voters from other jurisdictions (New Zealand and other Australian states and territories) to allow them to vote in their elections.

Achievements 2015-16:

- Conducted two local government by-elections, the Aboriginal Land Council Election, 12 registered club elections, 20 industrial and enterprise agreement ballots. There were no state by-elections.
- Throughout 2015-16, the NSW Electoral Commission enabled 5,167,402 eligible citizens to be enrolled to vote, and extended the opportunity to participate in the democratic process to 16,1261 electors.
- We conducted the NSW Aboriginal Land Council elections as required by the *Aboriginal Land Rights Act 1983*, and improved on our record of achieving greater engagement and involvement in these elections: participation rose from 25.5 per cent in 2011 to 33.1 per cent in 2015. This election was conducted within budget.
- The NSW Electoral Commission prepared legislative amendment proposals and represented NSWEC interests in settling with the Department of Premier and Cabinet and the Office of Local Government legislation impacting on the conduct of state and local government elections, and the regulation of state and local government election campaign finance.
- Joint Standing Committee on Electoral Matters (JSCEM): Inquiry into the 2015 NSW State Election – NSWEC Submission 1 September 2015
- Contributed to the body of knowledge on electoral administration.
- Successfully conducted our first standalone ‘community poll’ for Kiama on 7 May 2016.

Challenges 2015-16:

We seek to maintain and increase voter participation in the face of a decline in voter involvement in most established western democracies. Electors’ decisions to vote can be complex, and driven by factors that lie beyond our capacity for influence. It is therefore important that we maintain or strengthen our performance in those areas we are able to influence.

Fostering participation in the democratic process

Our principal goal, expressed in our *Future Directions* statement, is to foster voter participation, to ensure effective engagement with democracy, at a time when most established western democracies are experiencing declines in voter engagement and involvement.

The reasons behind this decline occupy academics, the media and politicians alike. While we have a goal of full participation, the decision to vote can be driven by matters outside the NSW Electoral Commission’s control.

In addition, our own research shows a much greater engagement among older voters than younger people. This means that our work to encourage participation will become both increasingly important and increasingly challenging.

There are, nevertheless, many things we can do to foster participation. These include:

- Optimising enrolments;
- Offering a variety of voting options (within the limits of legislation) to suit modern lifestyles; and
- Working with particular parts of the community to encourage participation (people from different cultural and language backgrounds; Aboriginal and Torres Strait Islander people and people with a disability).

1. This is the total number of electors for all local government by-elections and the Aboriginal Land Council Election. There may be some overlap where electors participated in both elections, but this is estimated to be minimal.

Optimising enrolments

At the end of 2015-16, 5,167,402 people were enrolled, up by 26,740 voters (0.53 per cent) from the end of 2014-15. There has been a steady increase in the number of enrolled electors over the years as indicated in the table below:

Table 1 – Number of Enrolments and percentage of eligible population

YEAR	NSW ENROLMENT	% OF TOTAL ELIGIBLE POPULATION
June 2016	5,167,402	97.4
June 2015	5,062,030	96.5
June 2014	4,963,555	95.7
June 2013	4,868,528	94.9

Automating enrolment (SmartRoll)

We attribute the greater growth in enrolments over population growth largely to our introduction of SmartRoll.

While eligible voters can take their own action to register to vote or update their details, legislation implemented in 2010 also allows us to directly enrol eligible voters. We do this using the SmartRoll automated system, which leverages data from other NSW Government agencies to identify people who are eligible but unenrolled or incorrectly enrolled, then adds their correct details to the NSW roll.

The SmartRoll system is in its sixth year of operation and is now a mature enrolment system, steadily increasing the percentage of the eligible population registered to vote. This can be seen in Table 1 – Number of Enrolments and percentage of eligible population.

As at the end of June 2015 NSW enrolment was 5,062,030 with an enrolment participation rate of 96.5 per cent.

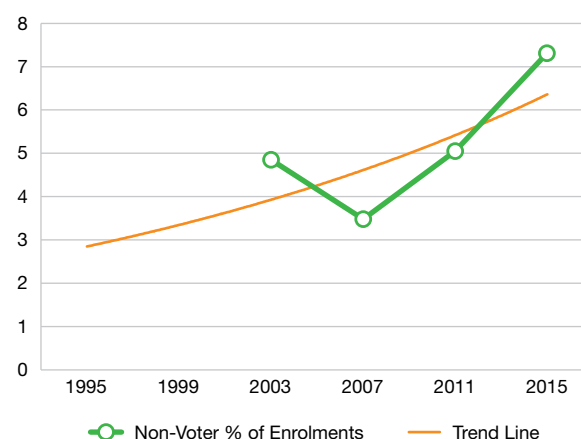
Enrolment rate improvements continued during 2015-16, with the participation rate now at 97.4 per cent, and the total enrolments at 5,167,402.

Registered but not voting

While registering eligible voters automatically using SmartRoll gives us a way of identifying and communicating with them, it does not necessarily mean those automatically registered will then take the next step and vote.

Eligible voters who have taken the trouble to register themselves are probably more engaged and therefore more likely to vote, than those who are automatically registered with no effort on their part. Participation figures bear this out: the overall participation rate for the 2015 State Government Election was 92.3 per cent, while the SmartRolled (only) participation rate was 84.1 per cent. This effect can also be seen in Graph 5 – Non-Voters as a Percentage of Enrolments, 1995 to 2015, which outlines that the percentage of non-voters has increased from 5.05 per cent of enrolments in 2011 to 7.32 per cent in 2015.

Graph 5 – Non-Voters as a Percentage of Enrolments, 1995 to 2015



Part of this increase can be linked to population increases. However, the growth in enrolment has outstripped population growth, as can be seen in Figure 5 – Changes in Enrolment and Population over Six State General Elections, 1995 to 2015.

Figure 5 – Changes in Enrolment and Population over Six State General Elections, 1995 to 2015

STATE GENERAL ELECTION	ENROLMENT	% CHANGE FROM PREVIOUS ELECTION	NSW POPULATION	% CHANGE FROM PREVIOUS ELECTION
2015	5,040,662	8.7	7,565,500 (at 31-12-14)	3.8
2011	4,635,810	6.0	7,287,600	6.0
2007	4,374,029	2.4	6,875,700	2.8
2003	4,272,104	3.8	6,691,800	4.6
1999	4,115,059	7.2	6,397,200	4.9
1995	3,837,102	N/A	6,097,600	N/A

Conducting Elections continued

Voting Options

One way of increasing participation is to provide a variety of options for voting, which better address the needs of modern voters. There is a major ongoing shift in voters' preference, towards voting before election day. In recent elections, all states and territories, as well as the Commonwealth, have seen an increase in electors using early voting.

There are regular calls for the extension of electronic voting. We currently have an operational technology, iVote, which has already been used for a limited range of special category voters in NSW. However, the decision to extend electronic voting is a matter for the government and the parliament.

The NSW Electoral Commission, through its membership of the ERRN Governance Board of the Electoral Regulation Research Network, has recently approved funding for a research project entitled 'Implications of Changes to Voting in Australia' and Professor Rodney Smith of the University of Sydney will lead the project team with involvement from the NSW Electoral Commission and the WA Electoral Commission.

With increasing numbers of electors voting early, via mail or electronically, this project will study the implications of this trend for the key actors in elections; voters, electoral bodies, candidates and parties.

Communication

Our communication activities throughout 2015-16 were largely directed towards two elections: the NSW Aboriginal Land Council elections and the 2016 round of Local Government Elections. However, we also produced media releases in response to unfolding events. See Services for Electors on page 29 for information on other communications activities.

Engagement with Election Participants – Electors and Candidates

We attempt to reach all sections of the community to make sure everyone has the information and means to exercise their democratic right to vote. We also provide the information needed for participants in the election, be they candidates, registered political parties, scrutineers or observers and commentators.

Like other service providers, the NSW Electoral Commission increasingly relies on electronic forms of communication to reach those who are interested in and participate in elections. The NSWEC has a dedicated website specifically for state-wide elections (that is, State General Elections or local government ordinary elections).

Our communication activities aim to:

- Ensure that parties, candidates, groups, elected members, third-party campaigners and political donors have access to current information about their entitlements and obligations; and
- Ensure the public and the media have access to publicly available disclosure documents by publishing the disclosures of political donations and electoral expenditure.

We provide stakeholders with a range of ways to access information including our website, a dedicated telephone help desk enquiry service and an email enquiry service.

Election communications

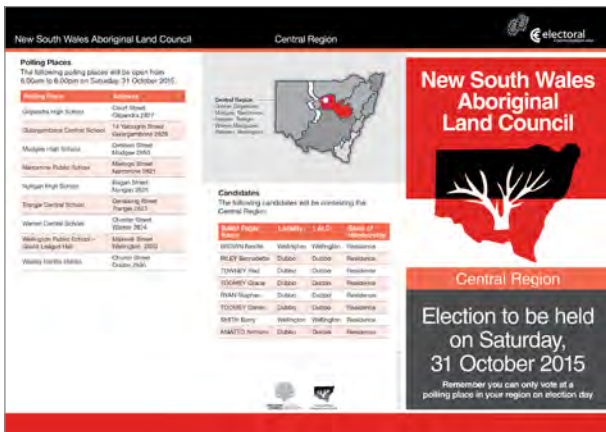
Conducting elections entails a significant communications component. This takes a variety of forms. Two examples from the reporting period are outlined below to give the reader greater insight into the NSW Electoral Commission's communications work.

Aboriginal Land Council Elections

For the NSWEC, the major electoral event in 2015-16 was the Aboriginal Land Council elections, which were held on Saturday, 31 October 2015. Under the *Aboriginal Land Rights Act 1983*, the NSW Electoral Commission conducts the ALC election. The current electoral boundaries cover nine regions, each of which returns one Commissioner. There are 15,818 voters on the roll.

From a communications perspective, the NSW Electoral Commission produced four state-wide media releases, nine elector brochures (one for each of the nine ALC regions in NSW) and three state-wide press advertisements to support the election. An elector brochure was posted to each enrolled elector. The brochure was customised for the NSW Aboriginal Land Council Region and served as a direct communication with electors. The brochure contained information such as key election dates, voting options, a list of polling place locations and information specific to each electoral region.

Figure 6 – Central Region Brochure for 2015 NSW Aboriginal Land Council Elections



We also continued to work with the Australian Electoral Commission's Indigenous Participation Program. Indigenous Australians are much less likely to enrol to vote than other Australians. Many of those who are enrolled do not vote. The Australian Electoral Commission established the Indigenous Electoral Participation Program in 2010 to close the gap in Indigenous electoral participation. We met regularly with the Indigenous Electoral Participation Program team during the year. They provided great assistance to us, raising awareness about work opportunities available at the NSW Aboriginal Land Council election.

The NSW Aboriginal Land Council was an overwhelming success. There was a 7.59 per cent increase in the election participation rate, from 25.53 per cent in 2011 to 33.12 per cent in 2015. There were 23 more polling places available for the 2015 election, an increase of 16.55 per cent.

We were also successful in our strategy to recruit officials who reflect their community, considerably increasing the number of Indigenous election officials at the Aboriginal Land Council Elections. Of the 324 election officials involved, 61 per cent identified as an Aboriginal Australian or Torres Strait Islander.

For the 2015 election, mobile polling places were used for the first time. A team of election officials spent around two hours at one mobile polling place and then moved onto the next one. This ensured the maximum number of electors could be given the opportunity to vote while keeping costs at a manageable level.

See Appendix B for a list of electoral regions and polling places.

2016 Local Government Elections

Another significant event for the NSW Electoral Commission in the reporting period was the planning for the 2016 Local Government Elections. The first tranche of these elections was held on Saturday, 10 September 2016. The second tranche will be held in 2017.

The NSW Electoral Commission's role in Local Government Elections is to:

- Manage the electoral roll and make sure as many eligible voters are on the roll as possible;
- Arrange polling places, ballot papers and equipment;
- Recruit and train election officials;
- Run campaigns to inform voters about the election, their voting options and where to find more information;
- Run campaigns to inform potential candidates of the election process, their obligations and entitlements;
- Encourage people to vote and remind them of penalties for not doing so;
- Establish and run systems to allow voters to enrol and to vote in a variety of ways, including pre-poll, postal, voting in various declared institutions, and in person on election day;
- Manage the count and publish the election results; and
- Fund parties and candidates based on their (legislated) entitlements.

Unlike State Elections, the running of Local Government Elections is contestable, meaning that councils can resolve to use either the NSW Electoral Commission or another provider to conduct their election.

In the 2016 Local Government Election round, 76 councils opted to engage the NSWEC to conduct their elections. They are listed at Appendix C. Five Councils plan to be responsible for the conduct of their own elections in September 2016. These are:

- Fairfield City Council;
- Gunnedah Shire Council;
- Kempsey Shire Council;
- Lake Macquarie City Council; and
- Penrith City Council.

The planning work for the Local Government Elections began in July 2015.

The website was revamped during 2015-16, and updated to reflect the legislative changes and the new obligations and entitlements of stakeholders, especially in relation to the Local Government Elections.

Conducting Elections continued

Other election communications

Conducting elections entails a significant communications component. This takes a variety of forms, one of which is participation in speaking engagements. In August and December 2015, Alison Byrne, our Director Funding, Disclosure and Compliance, gave papers on 'Becoming a Councillor – Information for Women' at Strathfield Council, and 'Empowering Women in Local Government' at the University of Technology Sydney.

One lesser known aspect is the NSW Electoral Commission's work in contributing to the body of knowledge concerning electoral administration. In November 2015 the NSWEC presented at a conference on voting at Sydney University. At the same conference, a paper was given on a pre-poll voting study supported by the NSWEC.

Table 2 – Speeches and conference papers

FORUM/MEETING	SUBJECT	DATE
Fast & Secure 2015 conference (Joint presentation with Secure Logic)	Case Study: 'An approach towards Cyber Security for the world's most successful online voting at a government election'	28-07-2015
ERRN Seminar at Melbourne University 'Electronic Voting in Practice: Two State Elections'	'The world's largest online voting at a government election' (iVote)	22-10-2015
Workshop on 'The Challenges of Convenience Voting' at University of Sydney	Presentation on 'iVote at the 2015 NSW Election'	04-11-2015
WA Electoral Commission (all staff)	Presentation on the iVote system	25-02-2016
Victorian Parliamentary Library seminar on iVote	'The world's largest online voting at a government election' (iVote)	25-05-2016
ECANZ meeting (Electoral Council of Australia and NZ)	Paper and discussion of proposed 'C2V2' research project (Common Criteria for Verified Voting)	07-06-2016
GMAC meetings of various ROCs	How the NSWEC plans to conduct the 2016 LG elections	Feb 2016 to June 2016
Presentation at the University of NSW	The Role of the NSW Electoral Commission	14 September 2015
Electoral Educators and Engagement Network Workshop Brisbane	This network aims to share resources and learnings across the Australian and New Zealand Commissions in relation to education and engagement strategies	8-9 September 2015
Electoral Regulation Research Network presentation, University of NSW	'Implications of change in Election Campaign Finance Laws in NSW'	November 2015
Bimonthly meetings with the NSW Indigenous Election Participation Program – AEC	These meetings are aimed at informing and sharing resources across each team in relation to addressing barriers to voting and enrolment for Aboriginal electors	Every two months (approx)

Electing Local Government Representatives

Services for Electors

A NSW Electoral Commission website, www.votensw.info, containing information specific to local council elections, went live on Monday, 14 March 2016.

To revitalise the event website for the 2016 Local Government Elections, we re-designed the site for a completely new look, focusing on the main elements of the election, with a home screen that changed according to milestones in the election cycle. The new event website contained information relevant to the September 2016 elections and provided links to information on other NSWEC websites, for voters, political parties and candidates, and the media. It was also fully WCAG 2.0 compliant.

The website needs to provide easy access to information and resources required at any stage during the election cycle and afterwards, be able to be viewed on smartphone, tablet and desktop, and accessible to those who may have difficulties reading ordinary screens.

Below is a screenshot of the website in the lead-up to the 2016 Local Government Elections.

Figure 7 – NSWEC Event Website – www.votensw.info



In preparation for the 2016 Local Government Elections, we continued our program of developing targeted material and approaches to reach parts of the community, including:

- People who do not use English as their first language;
- People with a disability, including blindness, deafness and intellectual disability;
- Aboriginal and Torres Strait Islander people; and
- People who are illiterate or have low levels of literacy.

We developed and implemented a community engagement strategy in the lead up to the Local Government Elections 2016.

We are currently reviewing the strategy implementation, to evaluate its success and areas for improvement.

The strategy had numerous components, but broadly fell into the following categories:

- Preparing targeted material, mainly available on our website;
- Consulting with specially appointed reference groups;
- Collaborating with other organisations such as the Australian Electoral Commission;
- Training staff; and
- A targeted recruitment campaign.

Targeted material

We engage with targeted groups in the community primarily via our website. Special-purpose content includes:

Easy Read Guides

Easy Read Guides are targeted at individuals who have an intellectual disability. We contracted to work with the NSW Centre for Intellectual Disability to review existing guides, replacing technical language with plain English. We completed the third and fourth of four planned Easy Read Guides to Elections during the reporting period, along with another specifically applying to local government elections.

Audio Clips

We produced audio clips with 'how-to-vote' instructions to help people who are blind or have a visual impairment, and also to help people for whom literacy is an issue. The seven languages were:

- English;
- Arabic;
- Cantonese;
- Italian;
- Greek;
- Mandarin; and
- Vietnamese.

The audio clips were available on our website and could also be accessed at each polling place on election day.

Auslan Video Clips

Auslan is the sign language of the Australian Deaf community. We have Auslan video clips on our website covering the different levels of elections in Australia and how to enrol to vote.

Translated resources

We translated 'how-to-vote' material into 25 community languages. The translations were available for download from our website.

Conducting Elections continued

Overall, our evaluation of the effectiveness of the material on our website found that the levels of traffic were low – see Appendix D, which shows how often each resource was accessed.

A key challenge for future strategies will be working out how to determine and meet actual demand, as opposed to simply producing material we think will be useful. At the same time, we have to determine what additional work we can do to encourage people to use these resources.

Consultation with Reference Groups

In the lead-up to the 2016 Local Government Elections, we worked with our three established reference groups:

- NSWEC Equal Access to Democracy Disability Reference Group;
- NSWEC Culturally and Linguistically Diverse Reference Group; and
- NSWEC Aboriginal Reference Group.

We also worked with:

- Vision Australia and Blind Citizens NSW to develop Braille ballot papers; and
- NSW Council for Intellectual Disability (NSWCID) to develop Easy Read Guides.

We worked with these groups both to help us with community engagement and to identify barriers to participation. The groups consist of representatives from peak bodies, non-government organisations, and government organisations that provide services and advocacy.

Together with the reference groups, we reviewed activities from the State General Election in 2015 and developed the communication strategy for the 2016 Local Government Elections.

Reference group members also distributed information through their networks and community groups, creating interest and raising awareness about the 2016 Local Government Elections (and beyond).

We found the reference groups added great value to our work. They provided useful and positive feedback on draft materials and concepts proposed by stakeholders. They also gave us access to wider networks and distribution channels, as well as helping us engage their communities in two-way communication.

Collaboration with other organisations

Through our reference groups, we worked with a number of organisations to increase awareness of elections in NSW.

We continued to consult with our three community reference groups, covering Indigenous voters, people with disability and people who do not use English as a first language. Our aim was to increase our understanding of barriers to voting and enrolment for marginalised electors and electors with additional needs. Our activities are aligned with the reference group action plans for the period 2014-2016 to support equal access to democracy. These three strategic documents guide our efforts in working with electors with additional needs. The guides are currently being reviewed by our community reference groups and can be found on our website at www.elections.nsw.gov.au/about_elections/community_education_resources/action_plans

We continue to provide a range of assistive resources in polling places, including such aids as accessible voting screens, maxi pens, magnifying sheets, audio instructions and Auslan videos.

Multilingual assistance

The structure of local councils varies, and therefore so do their elections. For example, some have popularly-elected mayors, while others do not. This means there are no standard instructions for filling in ballot papers for Local Government Elections. As a result, we cannot provide multilingual instructions for completing ballot papers at the polling venue level. Instead we are promoting the Translation and Interpreting Service, so staff can assist electors in accessing language support in over 160 languages.

We are also ensuring that, where possible, bilingual staff are assigned to polling venues where there are significant numbers of electors who speak another language other than English at home.

We have also implemented a communications plan and stakeholder awareness campaign to enhance the existing seminar and web based education programs including:

- Web-based information presentations for candidates and groups;
- Targeted web pages for candidates, groups, political parties and political donors;
- Targeted communications to councils and registered parties with information they can share with candidates; and
- Review and make improvements to the online training program for official agents.

Services for Candidates and Political Parties

We implemented a communications plan and awareness campaign for stakeholders to build upon the existing seminar and web-based education programs. These include:

- Web based information presentations for candidates and groups;
- Targeted web pages for candidates, groups, political parties and political donors;
- Targeted communications to councils and registered parties with information they can share with candidates; and
- Review and improvements to the online training program for official agents.

Our review of the registration process in place for the 2012 Local Government Elections identified instances of risk, inefficiency and stakeholder non-compliance. To remedy this, we developed new forms and processes for registration of candidates, groups and their agents. We also invested in staff training and team readiness.

The work we have undertaken simplifies the registration process for stakeholders and provides efficiencies for our Funding, Disclosure and Compliance function. We also expect there will be greater awareness among stakeholders about the requirement to register and appoint an official agent.

We provided training for internal staff to ensure they are equipped to provide professional service to stakeholders and undertake processes effectively. Information about the local council elections for registered political parties, candidates and the public was included on our website. The 'Planning to be a candidate' link on the homepage of this website provided information on the process involved in becoming a candidate. It included an information presentation and candidate handbook. It also linked to forms for:

- Registration of a Candidate and Appointment of Official Agent;
- Application for Registration of a Group of Candidates and Appointment of Official Agent;
- Nomination Form for Mayor or Councillor – Registered Political Party; and
- Nomination Form for Mayor or Councillor.

Details of the political parties registered are at Appendix E.

Candidate Helpdesk

We established a dedicated call centre for candidates' questions about their candidature or the election process.

Following a comprehensive review of the website's content and structure relating to the *Election Funding, Expenditure and Disclosures Act 1981* and to our compliance and enforcement functions more generally, we removed outdated and duplicated content to provide easier access to information.

The new web structure allows stakeholders to find information relating to the *Election Funding, Expenditure and Disclosures Act 1981* when searching by either subject or stakeholder group.

Election Staff Training

Providing good service, including being sensitive to voters' needs, is important in ensuring that voters feel secure and confident when they participate in any electoral processes or try to get information.

During the year, we trained some categories of election staff in relation to customer service and cultural awareness. For example, we conducted a full day of training for senior election officials and NSW Electoral Commission staff on cultural awareness for Aboriginal and Torres Strait Islander people. This was conducted by representatives from the NSW Ombudsman's office and provided excellent preparation for the conduct of the Aboriginal Land Council elections.

We also developed cultural awareness guides for staff who did not have face-to-face training.

While we strongly support improved cultural awareness, achieving it across the state for all levels of election officials still presents some issues. The extent of training, the ways in which it is delivered, whether it is mandated and how we can track who has completed training are all matters for us to consider for our next major election.

We continue to build the cultural competence of our election staff members at the Aboriginal Land Council election and the 2016 -2017 Local Government Elections. We provide all election staff working at the Local Government Elections with access to training guides (via the online training program) that cover:

- Working with electors who have a disability;
- Working with electors from culturally and linguistically diverse communities; and
- Working with Indigenous electors.

Raising awareness about the specific needs of these groups of electors assists staff in providing respectful and culturally appropriate services.

Conducting Elections continued

Targeted recruitment

We have developed a targeted diversity, inclusion and accessibility recruitment strategy to support the Local Government Elections. The aims are to:

- Increase the diversity in the pool of applicants (applicants with no previous election experience, multilingual speakers, indigenous applicants and applicants with a disability);
- Be inclusive in our selection practices; and
- Improve access to employment opportunities for all electors.

Local Government By-elections

We conducted two by-elections for local government. In both cases, we met our performance measures: delivering the by-election on time and within budget.

Figure 8 – Local Government By-elections 2015-16

BY-ELECTION	DATE
Wakool Shire B and C Wards	3 March 2016
Wakool Shire C Ward	9 April 2016

State By-elections

By-elections are held when a seat in the Legislative Assembly becomes vacant. Vacancies occur when members cease to represent their electorate in mid-term, either through retirement, resignation, death, or some other reason.

There were no state by-elections during the reporting period.

The NSW Electoral Commission prepares reports on the conduct of by-elections and provides them to the Parliament and Premier in the case of state by-elections, and to the Minister for Local Government and the relevant council for local government by-elections. These reports are available on our website. In the 2015-2016 reporting period, we produced reports on 10 local government by-elections, which are listed in Appendix F.

Commercial Elections

We conducted 31 elections for clubs, statutory boards, unions and other bodies. A full list is at Appendix G.

Our major performance measure for commercial elections is revenue. Our target revenue for the financial year was \$1.251 million. Actual revenue was lower than expected, at \$1.086 million, due to a tail-off in local government by-elections heading towards the September 2016 Local Government Elections. Legislation (S.294 of the *Local Government Act 1993*) provides for councils to apply to the Minister of Local Government to dispense with holding a by-election up to 18 months before the date of the ordinary Local Government Elections.

Assisting other jurisdictions

We offered early polling places on behalf of a number of other jurisdictions for electors who were in NSW at election time. Again, our performance measures were to deliver the specific services on-time and within budget.

Figure 9 – Early voting services offered to other jurisdictions 2015-16

STATE/TERRITORY	ELECTION	ELECTION DAY
Victoria	Polwarth and South West Coast	31 October 2015
Queensland	Referendum	19 March 2016
Tasmania	Divisions of Apsley and Elwick	7 May 2016

Looking Forward – Challenges and Opportunities in 2016-17

The challenges and opportunities for 2016-17 include:

- Developing an application that can be loaded onto tablet devices, to enable electronic mark-off of elector names from the roll during an election. We anticipate that using an electronic mark off will be more efficient than looking up and marking off names on a paper roll and will reduce the amount of time for electors to vote at a polling place;
- Conducting parliamentary by-elections in the electoral districts of Canterbury, Orange, and Wollongong;
- Using what we have learned from the elections to make further improvement, develop budgets and plan for the second tranche of local government elections;
- Conducting state and other by-elections while planning for the 2017 round of Local Government Elections;
- Designing and implementing an effective resource structure that is well integrated with the new NSW Electoral Commission organisational structure;
- Ensuring the communications strategy maximises participation and provides the information participants require;
- Preparing submissions and briefings for hearings in connection with the Joint Standing Committee on Electoral Matters Inquiry into the conduct of the Local Government Elections, 2016; and
- Continuing to improve services to electors through digital services.



Regulating the Electoral Environment

This section outlines the NSW Electoral Commission's efforts in improving its performance in providing election services.

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Regulating the Electoral Environment

The NSW Electoral Commission has responsibility for:

- Regulating electors' compliance with their enrolment and voting responsibilities, as well as registration, funding and disclosure provisions by political parties, elected members, candidates and third-party campaigners;
- Maintaining registers of political parties, candidates, agents, third-party campaigners and lobbyists;
- Publishing disclosures of political donations and electoral expenditure made by parties, candidates, elected members and third-party campaigners;
- Regulating compliance with the legislation for state elections, enrolment, voting, lobbying and election campaign finances; and
- Administering public funds to eligible political parties, candidates and Members of Parliament.

To ensure adherence to legislative requirements around election campaign finances, we undertake extensive compliance work, and in 2014 were given power to investigate and prosecute state election and lobbyist offences.

We support stakeholders subject to these laws by providing information through our website, call centres, seminars, guides, fact sheets, policies, presentations and conferences.

Achievements 2015-16:

- Implemented non-legislatively based recommendations from the Panel of Experts' Inquiry into election donations and funding that related to the NSW Electoral Commission. These included (in part):
 - Issuing guidelines to help stakeholders better understand the concept of indirect campaign contributions (recommendation 9);
 - Monitoring and having strategic oversight of the use of the Administration Fund (recommendation 19);
 - Supplementing disclosure information with analysis and explanations as to political donations (recommendation 24);
 - Requiring political parties to disclose more about which of the party's endorsed candidates benefit from donations made to the party (recommendation 26);
 - Requiring stakeholders to disclose the terms and conditions of reportable loans received (recommendation 27);

- Requiring parties to disclose which electorates benefit from the party's campaign expenditure (recommendation 28); and
- Implementing a specific education function as part of the Funding, Disclosure and Compliance branch restructure (recommendation 49).
- Submitted our response to the 'The Final Report of the Expert Panel – Political Donations and the Government's Response' to the Joint Standing Committee on Electoral Matters in October 2015;
- Developed and implemented a risk based audit procedure for the audit and review of disclosures of political donations and expenditure and claims for public funding by parties, candidates, elected members, groups and third-party campaigners;
- Undertook a comprehensive review of the policies to ensure best practice in regulatory matters. The following policies, which are available on the NSW Electoral Commission's website, were finalised and approved on 29 June 2016:
 - Compliance and Enforcement Policy;
 - Compliance and Enforcement Procedure;
 - Electoral Participants and Agents Registration Policy and Procedures;
 - Party Registration Policy and Procedures;
 - Disclosure Policy and Procedures;
 - Compliance Audit Policy; and
 - Potential Political Donors (Not Enrolled and No Relevant Business Number) Policy and Procedures.

Challenges 2015-16:

- The recognised need to review the operation of the *Election Funding, Expenditure and Disclosures Act 1981*;
- The need for a broader range of enforcement options to deal effectively and consistently with non-compliance; and
- Business as usual in an election year, while undertaking a root and branch review and restructure of the Funding, Disclosure and Compliance Division.

Overview

Electoral and Lobbying Legislation Amendment (Electoral Commission) Act 2014

The 2015-16 reporting period was the first full year following the proclamation of the *Electoral and Lobbying Legislation Amendment (Electoral Commission) Act 2014*, which abolished the Election Funding Authority of NSW and transferred its responsibilities to the NSW Electoral Commission.

The NSW Electoral Commission is now the lead public authority responsible for regulation of the laws that seek to prevent corruption and undue influence of political parties, candidates and elected officials at state and local government elections in NSW. These laws are contained within the:

- *Election Funding, Expenditure and Disclosures Act 1981* (EFED Act);
- *Parliamentary Electorates and Elections Act 1912* (PEE Act); and
- *Lobbying of Government Officials Act 2011* (LOGO Act).

The NSW Electoral Commission administers the public funding and election campaign finance provisions of the *Election Funding, Expenditure and Disclosures Act 1981*, the *Lobbying of Government Officials Act 2011*, and the *Parliamentary Electorates and Elections Act 1912*. The NSWEC also administers the party registration provisions of the *Parliamentary Electorates and Elections Act 1912*.

This section outlines the key regulatory functions and activities undertaken by the NSW Electoral Commission in 2015-16. The focus here is on regulation (political parties and participants) and awareness, disclosure, public funding and compliance (including lobbyists).

Registration of Political Parties

Political parties wishing to nominate candidates at state or local government elections must apply to be registered under the *Parliamentary Electorates and Elections Act 1912* (for state elections) or the *Local Government Act 1993* (LG Act) (for local government elections). To be eligible to be registered, a political party must have the requisite number of members who are enrolled to vote at NSW elections and have a written constitution that sets out the platform or objectives of the party.

To be a registered party, a political party must apply to the NSW Electoral Commissioner. The application must be in accordance with the *Parliamentary Electorates and Elections Act 1912* or *Local Government Act 1993* (as applicable).

Registered political parties must demonstrate their continued eligibility for registration to the Electoral Commissioner by 30 June each year.

The Electoral Commissioner keeps registers of parties which are available for public inspection.

Political parties registered for state elections may be eligible to receive public funding under the *Election Funding, Expenditure and Disclosures Act 1981*. There is no public funding provided under the *Election Funding, Expenditure and Disclosures Act 1981* for local government elections.

Registered Political Parties in 2015-16 for State Elections

In 2015-16, no new political parties were registered for state elections under Part 4A of the *Parliamentary Electorates and Elections Act 1912*. Four parties previously registered for state elections were deregistered. In each case the parties failed to demonstrate that they remained eligible to be registered as at 30 June 2015.

At the end of the 2015-16 period, there were 15 political parties registered for state elections in NSW. See Appendix E.

Registered Political Parties in 2015-16 for Local Government Elections

Five new political parties were registered for local government elections under Part 7 of Chapter 10 of the *Local Government Act 1993*. One of these parties changed its registered name after it was registered.

Two parties registered for local government elections were deregistered in 2015-16. In both cases the parties made a request to the Electoral Commissioner to be deregistered.

At the end of the 2015-16 period, there were 33 political parties registered for local council elections in NSW. See Appendix H for further detail.

Registration of Electoral Participants

Registration of candidates, groups, third-party campaigners, party agents and official agents occurs under the *Election Funding, Expenditure and Disclosures Act 1981*. The NSW Electoral Commission keeps and maintains publicly available registers.

Candidates and groups must register for an election with the NSWEC before accepting political donations and incurring electoral expenditure. Candidates and groups that do not apply to be registered for an election are deemed to be registered by the NSW Electoral Commission on nomination day.

Regulating the Electoral Environment

continued

Third-party campaigners must register for an election with the NSWEC before incurring more than \$2,000 in electoral communication expenditure during the capped expenditure period for a state election.

Elected members, candidates, groups and third-party campaigners must have an official agent. Each political party must have a party agent. Agents are responsible for the management and disclosure of political donations and electoral expenditure.

During the reporting period the NSW Electoral Commission registered 41 candidates and two groups for local government elections. No third-party campaigners were registered during the reporting period.

Please see the following table for a summary of candidate and group registrations:

Table 3 – Candidate and Group Registrations

ELECTION EVENT	NO. CANDIDATES REGISTERED	NO. CANDIDATES DEEMED REGISTERED	NO. GROUPS REGISTERED	NO. GROUPS DEEMED REGISTERED
Wakool Shire Council B Ward 2016 Local Government By-Election	1	1	0	0
Wakool Shire Council B Ward 2016 Local Government Supplementary By-Election	2	1	0	0
2016 Local Council elections	37	N/A	2	N/A

In 2015-16, the NSW Electoral Commission reviewed and streamlined the process for candidate and group registrations for the 2016 Local Government Elections. Previously, candidates had to complete at least two forms: one to register for an election and another to notify the NSWEC of the appointment of their official agent. Candidates who were members of a group had to complete additional forms. New processes and forms in place for the 2016 Local Government Elections covered registration and notification of appointment of an official agent in a single form. To support the new processes and forms we added new content to the NSW Electoral Commission website to help candidates, groups and agents understand how to navigate through the registration process.

Education and Awareness

The NSW Electoral Commission's education and awareness function is aimed at making sure stakeholders understand their obligations and entitlements under the *Election Funding, Expenditure and Disclosures Act 1981*, so as to improve compliance. In 2015-16, we increased our stakeholder education and awareness activity, due in part to the findings of the 2014 Expert Panel review of the *Election Funding, Expenditure and Disclosures Act 1981* scheme.

In particular, we reviewed the funding and disclosure content on our website to improve the way we present information to stakeholders about their obligations and entitlements, and our compliance and enforcement functions. Users can access the new funding and disclosure content either by subject area or stakeholder grouping.

Targeted information on the NSW Electoral Commission website is aimed at providing candidates and groups for the 2016 Local Government Elections with all the information they need to understand the requirements for (amongst other things) the registration and appointment of agents.

Official agents are obliged to complete an authorised training program, which we provide via an online training module on our website. During the reporting period, 30 people completed this online training.

We also produced three media releases on the NSW Electoral Commission's enforcement activities.

Election Funding, Expenditure and Disclosures Act 1981

2016 Disclosure Lodgement period

We reviewed disclosure forms and information material to make disclosure forms easier and simpler to use. The new forms can be completed online, then printed, signed and submitted. At present there is no option for online submission.

To complement the new forms, we created brochures on how to complete a disclosure form and added new content to the NSW Electoral Commission website, with targeted information for stakeholders.

Disclosures

Political donations and electoral expenditure are regulated by the NSWEC through the *Election Funding, Expenditure and Disclosures Act 1981*, and must be disclosed to the NSWEC for every financial year early in the following financial year. Disclosures must be made by:

- Political parties (whether registered or not);
- Elected members of the NSW Parliament and local councils;
- Candidates and groups;
- Third-party campaigners; and
- Major political donors.

Disclosures are to be made to the NSW Electoral Commission each year between 1 July and 22 September (or between 1 July and 20 October for major political donors). The NSWEC publishes disclosures of political donations and electoral expenditure online following the end of a disclosure lodgement period.

Political donations

Strict rules apply to political donations in NSW. A political donation is defined as a gift made by a person or entity to or for the benefit of a candidate, a group of candidates, a political party or an elected member. Donations include:

- Money;
- Non-monetary gifts;
- The provision of free or discounted services;
- Party membership and affiliation fees;
- Tickets or other items for a fundraising venture or function;
- Uncharged interest on loans;
- Transfers between a party and candidates; and
- Transfers between a party and an interstate or federal branch of the party.

Donations can only be made by eligible individuals or entities and are subject to specific caps. From 1 July 2016, these caps also apply to local government elections and local councillors.

The caps on political donations are adjusted for inflation each financial year. The adjusted caps for the 2015-16 financial year are:

- \$5,800 to or for the benefit of a registered political party;
- \$5,800 to or for the benefit of a group;
- \$2,500 to or for the benefit of an unregistered party;
- \$2,500 to or for the benefit of a candidate;
- \$2,500 to or for the benefit of an elected member; and
- \$2,500 to or for the benefit of a third-party campaigner.

Electoral expenditure

Electoral expenditure is expenditure for or in connection with, directly or indirectly, promoting or opposing a political party or the election of one or more candidates or for the purpose of influencing the voting at an election.

Electoral communication expenditure is a sub-set of electoral expenditure and is capped at state elections. The caps on electoral communication expenditure are adjusted for inflation every four years after a State General Election. The current caps were adjusted in the 2014-15 period and are due to be adjusted again in the 2018-19 period.

Electoral communication expenditure incurred in connection with a state election may be reimbursed to eligible political parties and candidates.

2014-15 Disclosure lodgement period

Disclosures are lodged after the completion of the period, and assessed for compliance during the subsequent year: 2014-15 disclosures were processed in 2015-16. For the disclosure period ending 30 June 2015, the NSW Electoral Commission received more than 4,700 declarations of political donations and electoral expenditure.

Donations disclosed

The NSW Electoral Commission is responsible for receiving details of, and reporting on, donations received by political parties. During the period 1 July 2015 to 30 June 2016, state registered parties reported receiving donations of \$5,095,000 while local government parties reported donations received of \$54,265.

Extension of due date for lodging declarations

Declarations were required to be lodged with the NSW Electoral Commission by 22 September 2015, except in the case of major political donors¹, who were required to lodge their declarations by 20 October 2015. A person can be given an extension of time to lodge the declaration if the NSWEC is satisfied there is good cause to do so and the person requests the extension before the due date.

1. A major political donor is defined in *Section 84 of the Election Funding, Expenditure and Disclosures Act 1981* as "an entity or other person (not being a party, elected member, group or candidate) who makes a reportable political donation of or exceeding \$1,000".

This is also in line with the definition of "reportable political donation" under *section 86 of the Election Funding, Expenditure and Disclosures Act 1981*.

Major political donors (unlike other "minor" donors) have an obligation to lodge a disclosure under the Act. Failure to lodge a disclosure exposes a major political donor to warning, cautions, penalty notices or prosecution.

Regulating the Electoral Environment

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The due date for lodging a declaration was extended in 558 cases as shown in Table 4 below:

Table 4 – Extension of due date for lodging declarations

STAKEHOLDER TYPE	REQUEST RECEIVED	REQUEST APPROVED	REQUEST REFUSED	REQUEST MADE OUT OF TIME
Parties	20	20		1
Elected members	129	129		2
Candidates	400	400		1
Third-party Campaigners	8	7	1	1
Donors	2	2		
Total	559	558	1	5

On-time lodgement rates

Approximately 4,700 declarations were required to be lodged for the disclosure lodgement period (refer Table 5). Taking into account lodgement extensions, 68 per cent of disclosures were lodged by the due date. The on-time lodgement rate increases to 79 per cent when political donor lodgement rates are excluded.

Elected members include members of Parliament and local government councillors. Candidates and groups include those for state and local government elections. For 2015-16, third-party campaigners are only relevant for state elections.

Table 5 – Disclosure obligations and declarations made by category

STAKEHOLDER TYPE	NO. OF DISCLOSURE OBLIGATIONS	LODGED ON TIME	LODGED LATE	NOT LODGED	ON-TIME LODGEMENT RATE
Parties	53	43	6	4	81%
Elected members	1,646	1,367	116	162	83%
Groups	24	15	5	4	63%
Candidates	1,015	723	204	90	71%
Third-party campaigners	52	44	6	2	85%
Donors (individuals)	1,169	609	85	475	52%
Donors (entities)	726	369	58	299	51%
Total	4,685	3,170	480	1,036	68%

Declarations not accompanied by an auditor's certificate

Declarations (except by major political donors) must be certified by a registered company auditor before they are lodged with the NSWEC. The NSW Electoral Commission may waive this requirement under certain circumstances, for example, where the person or organisation is not entitled to public funding for the state election campaign. The NSWEC waived this requirement in 1,518 cases.

The table below shows the number of declarations identified as lodged without an auditor's certificate:

Table 6 – Declarations lodged without an auditor's certificate

STAKEHOLDER TYPE	NO AUDIT CERTIFICATE & REQUIREMENT NOT WAIVED	AUDIT REQUIREMENT WAIVED
Parties	0	N/A
Elected members	156	1164
Groups	1	20
Candidates	24	334
Third-party campaigners	1	0
Total	182	1,518

Political party declarations

Political parties are required to lodge copies of the audited annual financial statements of the party and associated financial records with their declarations. These records assist the NSW Electoral Commission in undertaking compliance audits of the parties.

Table 7 shows the number of political party declarations lodged by the 53 registered parties in this period, both with and without financial documents. Section 96N of the *Election Funding, Expenditure and Disclosures Act 1981* and clause 8B of the EFED Regulations require certain financial documents to be lodged with the declaration of disclosures (e.g. annual audited financial statements, ledgers, chart of accounts).

Table 7 – Lodgement of financial records of parties

DOCUMENT	LODGED WITH DECLARATION	NOT LODGED WITH DECLARATION
Audited financial statements	19	31
Financial records	18	32
Chart of accounts	18	32
Trial balance	20	30
Bank statements	28	22

For this reporting period the disclosure forms for political parties requested additional information, to assist the NSWEC in undertaking compliance audits and provide more transparency to the public. Requiring this information on the disclosure forms was one of the Expert Panel's recommendations. The additional information requested was for:

- Reportable political donations: to whom, or for whose benefit, a political donation was made;
- Reportable loans: the term of a reportable loan; and
- Electoral expenditure: for which electorate electoral communication expenditure was incurred.

'Nil' declarations

A declaration is known as a 'nil' declaration where it contains no political donations or electoral expenditure.

The table below shows for each category the number of 'nil' declarations.

Table 8 – Nil declarations

STAKEHOLDER TYPE	NIL DECLARATION (NO.)	NIL DECLARATION (% OF DECLARATIONS LODGED)
Parties	12	24
Elected members	968	65
Groups	19	95
Candidates	380	41
Third-party campaigners	8	16
Donors (individuals)	4	0.6
Donors (entities)	1	0.2
Total	1,392	38

Regulating the Electoral Environment

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Electoral Expenditure incurred

The table below shows the disclosed amount of electoral expenditure incurred (amounts are displayed as millions):

Table 9 – Electoral expenditure incurred (\$ million)

STAKEHOLDER TYPE	ADVERTISING	EMPLOYING STAFF	INTERNET AND UTILITIES	OFFICE ACCOMMODATION	PRODUCTION & DISTRIBUTION OF ELECTION MATERIAL	RESEARCH	TRAVEL	OTHER	TOTAL
Parties	14.2	2.3	1.0	0.2	4.0	1.4	0.3	3.0	26.4
Elected members	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.4
Candidates	5.5	0.5	0.9	0.2	5.8	0.3	0.1	0.5	13.8
Groups	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TPCs*	4.0	0.4	0.2	0.0	0.6	0.3	0.1	-	5.6
Total	23.8	3.2	2.2	0.4	10.5	2.0	0.5	3.6	46.2

*TCP = Third Party Campaigner.

Political donations made

The table below shows the disclosed amount of political donations made:

Table 10 – Political donations made (\$)

STAKEHOLDER TYPE	SMALL DONATIONS	REPORTABLE DONATIONS	TOTAL
Parties	0	0	0
Elected members	168,000	648,000	816,000
Candidates	103,000	352,000	455,000
Groups	1,844	0	1,844
TPCs	24,000	309,000	333,000
Donors (individuals)	-	686,000	686,000
Donors (entities)	-	569,000	569,000
Total	296,844	2,564,000	2,860,844

Political donations received

The table below shows the disclosed amount of political donations received. The value of donations received by political parties and others far exceeds the value of donations disclosed as having been made by political donors as shown in the table above. This is because donors have a lower rate of disclosing political donations made compared with those of parties or individuals who receive political donations, and are not required to disclose political donations of less than \$1,000.

Table 11 – Political donations received (\$)

STAKEHOLDER TYPE	ANNUAL SUBSCRIPTIONS	SMALL DONATIONS	REPORTABLE DONATIONS	TOTAL
Parties	3,600,000	4,301,000	5,493,000	13,394,000
Elected members	-	108,000	90,000	198,000
Candidates	-	1,395,000	634,000	2,029,000
Groups	-	0	0	0
TPCs	-	-	8,415	8,415
Total	3,600,000	5,804,000	6,225,415	15,629,415

2015-2016 Disclosure Obligations (to be lodged in 2016-2017)

For the 2015-16 disclosure period, disclosure forms are due to be lodged in the next reporting period, starting 1 July 2016. The numbers of people or entities with disclosure obligations (as expected by the NSW Electoral Commission) are set out below.

Table 12 – People or entities with disclosure obligations

STAKEHOLDER TYPE	NUMBER OF DISCLOSURE OBLIGATIONS
Candidate	37
Elected Member	1,593
Group of Candidates	7
Political Party	57
Major Political Donors*	unknown
Third-party Campaigners	0
Grand Total	at least 1,694

*Disclosure period had not closed for major political donors at time of printing

Public Funding

A party is eligible for public funding for a state election if, among other things, it is a registered party and the total number of first preference votes received by the party's endorsed candidates in either the Legislative Assembly or Legislative Council election is at least 4 per cent, or at least one endorsed candidate of the party is elected.

A candidate is eligible for public funding for a state election if, among other things, he or she is a registered candidate and receives at least 4 per cent of the first preference vote in their district (in the case of a Legislative Assembly candidate) or, in the case of a Legislative Council candidate, was not a member of an endorsed group and receives at least 4 per cent of the first preference vote in the Legislative Council, or the candidate is elected.

In addition to the information above, there are also maximum limits on the amounts parties and candidates can spend on electoral communication expenditure during the capped expenditure period. The expenditure caps apply regardless of whether a party or candidate is eligible to receive public funding.

As at 30 June 2016, there were no expenditure caps at local government elections.

The expenditure caps which apply to state by-elections held from 29 March 2015 until and including the 2019 State General Election are outlined in Appendix O.

Public funding is available to reimburse eligible registered political parties, candidates and elected members for certain expenditure incurred up to limits specified in the *Election Funding, Expenditure and Disclosures Act 1981*.

There is no public funding for parties or candidates contesting local government elections in NSW or for elected members of local councils.

Eligible state registered parties, candidates and elected members can claim public funding from:

- The **Election Campaigns Fund**, which provides public funding to eligible parties and candidates for electoral communication expenditure incurred at a state election or by-election;
- The **Administration Fund**, which distributes public funds to eligible parties and independent Members of Parliament in respect of their annual administrative expenditure; and
- The **Policy Development Fund**, which distributes funds to eligible parties that are not eligible for payments from the Administration Fund, for their annual expenditure on policy development.

Election Campaigns Fund (2015 State General Election)

The purpose of the Election Campaigns Fund is to reimburse eligible candidates and political parties for electoral communication expenditure incurred during the capped expenditure period for a state general election or state by-election.

The amount of expenditure reimbursed to eligible parties and candidates from the Election Campaigns Fund is a proportion of actual electoral communication expenditure incurred for a state election, during the capped expenditure period for the election. It is subject to an expenditure cap. Expenditure in excess of the cap will not be reimbursed.

A party that received funding for the previous State General Election may be entitled to receive an advance payment (equal to 30 per cent of the total amount the party was entitled to receive for the previous state election) from the Election Campaigns Fund in the six months before the general election.

Claims for payment must be lodged with the NSW Electoral Commission within 120 days of the return of the writs for the election. If the NSWEC is unable to finalise the party's claim within 14 days, it must make a preliminary payment of 70 per cent of the party's maximum entitlement to the party minus any advance payment already made.

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During the reporting period, the NSW Electoral Commission processed claims for payment from eligible political parties and candidates for reimbursement of campaign expenditure incurred at the 2015 State General Election.

For the first time, we undertook risk-based reviews of each claim for payment made by an eligible party or candidate. A risk-based approach may include auditing a sample of expenditure included in a claim. A risk profile will be determined for a party or candidate based on the likelihood and consequence of potential incidents of non-compliance, using measurable or objective parameters.

A total of \$14,895,987.91 was paid under the Election Campaigns Fund to six political parties for electoral communication expenditure incurred in relation to the 2015 State election. See Appendix I.

In 2015-16, a total of \$421,227.71 was paid for electoral communication expenditure to 23 candidates. The funding reimbursed candidates for the State General Election. See Appendix J.

Administration Fund

The purpose of the Administration Fund is to reimburse eligible political parties and independent elected members of parliament for administrative and operating expenditure incurred in a calendar year.

The annual amount payable to eligible parties and independent elected members is the amount of administrative expenditure incurred by the party or elected member during the calendar year up to a maximum amount. That maximum amount is adjusted for inflation each year.

In calendar year 2015, the maximum amounts were:

- \$256,400 if there was only one elected member endorsed by the party; or
- \$460,000 if there were only two elected members endorsed by the party; or
- \$613,300 if there were only three elected members endorsed by the party; or
- \$613,300 if there were more than three elected members endorsed by the party plus \$102,300 for each such member in excess of three up to a maximum of 22 members; or
- \$213,700 for independent elected members.

In calendar year 2016, the maximum amounts were:

- \$261,300 if there is only one elected member endorsed by the party; or
- \$468,700 if there are only two elected members endorsed by the party; or
- \$624,900 if there are only three elected members endorsed by the party; or
- \$624,900 if there are more than three elected members endorsed by the party plus \$104,300 for each such member in excess of three up to a maximum of 22 members; or
- \$217,800 for independent elected members.

We paid a total of \$9,373,123.19 from the Administrative Fund to eight political parties and two independent elected members in 2015-16 for administrative expenditure incurred in the 2015 and/or 2016 calendar years. See Appendix K.

Policy Development Fund

The purpose of the Policy Development Fund is to reimburse eligible political parties for policy development expenditure incurred in a calendar year. The annual amount payable to eligible parties is the amount of policy development expenditure incurred by the party during the calendar year up to a maximum amount. That maximum amount is adjusted for inflation each year.

The annual maximum amounts for 2015 are:

- Either 58 cents for each first preference vote received by any candidate at the 2015 State General Election who was endorsed by the party, or \$11,500, whichever is the greater.

The annual maximum amounts for 2016 are:

- Either 60 cents for each first preference vote received by any candidate at the 2015 State Election who was endorsed by the party, or \$11,800, whichever is the greater.

A total of \$52,731.70 was paid from the Policy Development Fund to six political parties in 2015-16, to reimburse expenditure for policy development. A breakdown of these payments is provided in the table below:

Table 13 – Payments from the Policy Development Fund

PARTY	EXPENDITURE INCURRED IN CALENDAR YEAR	AMOUNT \$	DATE OF PAYMENT
Australian Cyclists Party	2015	15,179.76	29-06-2015
Building Australia Party	2014	10,392.92	30-07-2015
Building Australia Party	2015	11,500.00	07-04-2016
Outdoor Recreation Party	2014	1,792.76	23-07-2016
Socialist Alliance	2015	11,500.00	26-05-2016
Voluntary Euthanasia Party	2015	2,366.26	19-05-2016
Total paid in 2015-2016:		52,731.70	

Public Funding withheld in 2015-16

The NSW Electoral Commission has the power under the *Election Funding, Expenditure and Disclosures Act 1981* to withhold funding from a political party, elected member or candidate if the party, elected member or candidate has any outstanding declarations of donations and expenditure, or, in the case of parties, the party has failed to provide audited annual financial statements.

On 23 March 2016, the NSW Electoral Commission withheld \$4.4 million in public funding from the Liberal Party of Australia (NSW Division) because it failed to disclose the identity of all major political donors in its 2011 declaration. The Chair of the NSWEC made statements about the decision, which can be found at www.elections.nsw.gov.au/__data/assets/pdf_file/0004/214672/23_March_2016_Liberal_Party_of_Australia_NSW_Division_ineligible_for_further_public_funding_and_supporting_information.pdf

The matter was subsequently resolved and funding was released on 23 September 2016.

Election campaign funding was temporarily withheld from the Country Labor Party (CLP) during the reporting period, but released on 4 July 2016 after the party submitted an amended declaration of disclosure for the 2016 disclosure period.

We also withheld funding from Garry Edwards, an independent candidate for Swansea in the 2015 State General Election, over failure to lodge declarations of disclosure for a previous period. Mr Edwards has since lodged the declarations and received his funding.

Policy Development Fund payments were temporarily withheld from three political parties which had not submitted audited annual financial statements. Two parties complied within the 2015-16 period and received payments, the remaining party indicated they would comply (see note below Table 14).

Table 14 – Policy Development Fund payments withheld

PARTY	PD CLAIM RECEIVED	DATE OUTSTANDING DOCS RECEIVED	DATE PAID	AMOUNT PAID \$
Socialist Alliance	11-02-2016	15-05-2016	26-05-2016	11,500.00
Voluntary Euthanasia Party	14-04-2016	5-05-2016	19-05-2016	2,366.26
Outdoor Recreation Party	28-06-2016	Still Outstanding on 30-6-16		

Note: The Outdoor Recreation Party submitted their outstanding documents on 25-8-16, and payment of \$663.00 was made on 15 October 2016.

Regulating the Electoral Environment

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Compliance and enforcement

The NSW Electoral Commission is responsible for regulating and enforcing the following legislation:

- *Election Funding, Expenditure and Disclosures Act 1981* – for election campaign finances at state and local government elections;
- *Lobbying of Government Officials Act 2011* – for third-party lobbyists; and
- *Parliamentary Electorates and Elections Act 1912* – for state elections.

The NSW Electoral Commission is not responsible for enforcing electoral offences under the *Local Government Act 1993* in relation to local council elections in NSW (except insofar as the Electoral Commissioner is responsible for the electoral roll and failure to vote by electors). Offences under the *Local Government Act 1993* are generally dealt with by the NSW Police or the Office of Local Government.

The compliance activities of the NSW Electoral Commission are dealt with in accordance with the NSWEC's Compliance and Enforcement Policy and associated procedures. The NSWEC can institute criminal and civil proceedings for contraventions of the electoral and lobbying laws. To carry out this mandate, we undertake compliance audits and investigations into any suspected contraventions of the legislation, with the aim of collecting, collating and presenting such evidence in an admissible format, to ensure compliance and enforcement functions meet legal standards.

Compliance

Investigations and Enforcement

Annual Compliance Audits and Reviews

The NSWEC can undertake compliance audits of political parties, elected members, candidates and groups to assess compliance with Part 6 of the *Election Funding, Expenditure and Disclosures Act 1981*, which deals with the management and disclosure of political donations and electoral expenditure.

Non-compliance identified through the audits is dealt with in accordance with the NSW Electoral Commission's compliance and enforcement policies. The compliance audits also enable the NSWEC to identify areas of general non-compliance and create targeted education and awareness campaigns to improve the level of understanding and compliance.

During the year, the NSW Electoral Commission completed 3,869 compliance audits (873 relating to the 2013-14 disclosure period and 2,996 relating to the 2014-15 disclosure period) with a further 214 commenced in relation to the 2014-15 disclosure period.

The audits performed identified a number of non-compliances, the most frequent of which were:

- Undisclosed donations received or made;
- Undisclosed electoral expenditure;
- Undisclosed loans received;
- Incorrect political donor details disclosed;
- Electoral expenditure not paid out of the campaign account; and
- Unlawful donations (unenrolled donors, donations over the cap, donations from potential prohibited donors).

See Appendix L for details.

In the case of undisclosed or incorrectly disclosed elements, the official agents, party agents or donors generally agree to lodge an amended declaration to remedy the incomplete or inaccurate disclosure. The table below indicates the number of amended declarations received in the 2015-16 financial year:

Table 15 – Amended declarations received in 2015-16

PARTY	2013-14 DISCLOSURE PERIOD	2014-15 DISCLOSURE PERIOD (INCLUDING ADP)	TOTAL
Political Party	2	13	15
State Candidate	5	24	29
Local Government Candidate	1	0	1
Elected Member – Member of Parliament	1	4	5
Elected Member – Local Government Councillor	4	20	24
Major Political Donor	5	51	56
Third-Party Campaigner	0	6	6
Total	18	118	136

Investigations

Election Funding, Expenditure and Disclosures Act 1981 (EFED Act)

Breaches of legislation

In 2015-16, we considered 1,248 matters of potential breaches of the legislation. This was nearly double the number of matters considered in the previous reporting year, reflecting in part the NSW Electoral Commission's greater investigative capacity, and also that 2015-16 included disclosures relating to the 2015 State Election.

The matters considered during the reporting period dealt with:

Table 16 – Compliance Issues 2015-16

COMPLIANCE ISSUE
Failure to appoint an official agent or party agent
Failure to comply with a statutory notice to produce documents
Failure to disclose political donations made or received
Failure to lodge a declaration of political donations and electoral expenditure by the due date
Failure to provide supporting documentation for political donations and electoral expenditure
Failure to use campaign account for political donations and electoral expenditure
Unlawful acceptance of political donation or payment of electoral expenditure

The majority of enforcement actions undertaken related to section 96H(1) of the *Election Funding, Expenditure and Disclosures Act 1981* – “failure to lodge a declaration of disclosures within the required time”. (The rate of failure to disclose rises after an election, as a far larger number of individuals are required to disclose.) Elected members of local councils attracted the greater proportion of enforcement action, including 80 per cent of penalty notices issued.

Table 17 – Enforcement action under the *Election Funding, Expenditure and Disclosures Act 1981*

STAKEHOLDER	NO FURTHER ACTION	WARNING	CAUTION	PENALTY NOTICE	TOTAL
Candidate	215	98	12	4	329
Group of candidates	6	2	0	0	8
Elected Member	258	132	44	60	494
Party	8	13	12	4	37
Donor	198	9	5	4	216
Donor – Entity	110	7	35	3	155
Third Party Campaigner	6	2	0	0	8
Total	801	263	108	75	1,247

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Recovery of unlawful political donations

The NSW Electoral Commission has the authority to recover the value of any unlawful political donations made or accepted and repay these amounts to the State under the *Election Funding, Expenditure and Disclosures Act 1981*. During the reporting period, the NSWEC conducted 124 preliminary review and assessments of matters under the *Election Funding, Expenditure and Disclosures Act 1981* relating to unlawful political donations. Five resulted in the recovery of unlawful donations and 40 matters were progressed to investigation.

Table 18 – Investigations under the *Election Funding, Expenditure and Disclosures Act 1981*

INVESTIGATION ACTIVITY	TOTAL	RESULTED IN NO FURTHER ACTION	RESULTED IN RECOVERY ACTION	RESULTED IN ISSUANCE OF CAUTION OR WARNING	PROCESSED TO INVESTIGATION	CARRIED ON TO 2016-17
Preliminary review and assessments (PRAs)	124	71	5	5	40	3
Investigations conducted	40	10	1	1	28	N/A

These investigations resulted in five unlawful donations being recovered from the donation recipients totalling \$10,345. Further details on these donations is as follows:

Table 19 – Funds recovered from donation recipients

RECOVERED FROM	AMOUNT RECOVERED	REASON FOR RECOVERY
National Party	\$1,095	Prohibited donor (Property Developer)
National Party	\$2,500	Donor without a business number (a NZ company)
National Party	\$1,200	Prohibited donor (Liquor and Gaming industry)
Labor Party	\$2,000	Donor is not on the roll of electors
Independent State Candidate	\$2,000	Donor is not on the roll of electors
Labor Party	\$1,550	Donor is not on the roll of electors

As part of a strategy by the NSW Electoral Commission to provide more transparent information, we published new reports on public funding payments made to parties, candidates and members of parliament. These can be found on the NSWEC's website, under '*Statistics and Reports*'.

Parliamentary Electorates and Elections Act 1912 (PEE Act)

In 2015-16, the NSW Electoral Commission initiated two prosecutions under the *Parliamentary Electorates and Elections Act 1912*. Matters considered, investigations conducted and prosecutions commenced were:

Table 20 – Prosecutions under the *Parliamentary Electorates and Elections Act 1912*

Preliminary review and assessments conducted	3
Preliminary review and assessments completed	2
Investigations conducted	3
Investigations completed	2
Prosecutions initiated	2

All matters considered by the NSW Electoral Commission in relation to potential non-compliance under the *Parliamentary Electorates and Elections Act 1912* related to the use of enrolment information or to conduct at the 2015 State Election.

Lobbyists

The Lobbying of Government Officials (Lobbyists Code of Conduct) Regulation 2014 prescribes the NSW Lobbyists Code of Conduct as the code of conduct for all third-party and other lobbyists. The Code imposes a set of ethical obligations on all individuals and organisations seeking to influence government policy and decision-making in NSW, and imposes additional responsibilities on professional lobbyists in the business of representing the interests of another person or body.

The NSW Electoral Commission is responsible for administering, monitoring and enforcing compliance with this statutory regime. This entails investigating alleged breaches of the *Lobbying of Government Officials Act 2011*, the Regulation and the Code. The NSWEC is able to impose sanctions on lobbyists for non-compliance with their obligations. Sanctions include de-registration (which would prohibit a third-party lobbyist from communicating with government officials in NSW), suspension from the Register; or being placed on the Lobbyists Watch List.

During the reporting period, three matters of potential breaches of the legislation were considered. The matters considered related to contraventions of the Lobbyists Code. A summary of activities is as follows:

Table 21 – Matters considered in relation to contraventions of the Lobbyists Code

Matters commenced	3
Matters completed	2

In both cases the matters considered and finalised in the reporting period resulted in no further action. As at the end of this reporting period, one matter under the *Lobbying of Government Officials Act 2011* was yet to be completed.

Over the course of the year, the NSW Electoral Commission has implemented a self-service application to allow third-party lobbyists to log in to a Lobbyists Register page on the NSWEC's website. Feedback has been positive, with users appreciating speedier processing and the autonomy of being able to update their information. Any member of the public can inspect the entire Register by an easy online search, and learn the obligations of both lobbyists and government officials by using the e-learning Module www.lobbyists.elections.nsw.gov.au/onlinetraining

Litigation

Prosecutions

Table 22 – Prosecutions 2015-16

EFED Act	Failure to lodge for disclosure period 2012-2013	Failure to lodge for Additional Disclosure Period: by 9 March 2015
No. of matters	20	1
PEE Act	Distribute electoral material without authoriser or printer; Disclosure of enrolment information not for permitted purpose	
No. of matters	1	
PEE Act and LG Act	Failure to vote: 2014 LG by-elections and 2015 SGE	
No. of matters	55	

Note: There is an inevitable overlap between prosecutions and enforcement activity. As a result, prosecutions under the *Election Funding, Expenditure and Disclosures Act 1981*, *Parliamentary Electorates and Elections Act 1912*, and *Local Government Act 1993* are included in this table.

We began 21 prosecutions under the *Election Funding, Expenditure and Disclosures Act 1981* in 2015-16 for failure to lodge a disclosure. Nineteen were successful (with one finalised on 4 July, after the end of the financial year). One was unsuccessful, and the matter was discharged. One matter is yet to be heard by the Local Court.

Four people pleaded guilty in the Local Court but appealed the severity of the sentence and had their penalties reduced by the District Court.

One person appealed his conviction, but the District Court confirmed the conviction and sentence. He has now made a stated case application to the Supreme Court to have two questions of law considered by the Court.

For the first time we prosecuted under the *Parliamentary Electorates and Elections Act 1912* for the offence of distributing election material not containing authorisation and printer details. It relates to material distributed during the 2015 State General Election. This matter is regarded as an important step in the NSW Electoral Commission being seen as a regulator who will take action against those who do not comply with the law.

We also charged one person for contravention of sections 43(2) and 42(1) of the *Parliamentary Electorates and Elections Act 1912* in relation to use of and disclosure of protected enrolment information. Two charges have been laid, with both matters yet to be heard.

The NSW Electoral Commission administers the enforcement of compulsory voting under the *Parliamentary Electorates and Elections Act 1912* and the *Local Government Act 1993*. Electors who fail to provide a sufficient reason for their failure to vote in an election are issued with penalty notices of \$55. Recipients can either pay the fine or elect to have their matters dealt with in the Court. In 2015-16, 39 non-voters in the 2015 State General Election, eight non-voters in the 2014 Blue Mountains City Council by-election, and four non-voters each in the 2014 Newcastle City Council mayoral by-election and the 2015 Ryde City Council by-election were prosecuted for failure to vote.

Regulating the Electoral Environment

continued

Civil matters

Challenge to the 2015 State Government Legislative Council Election Result

Jones v Mark Pearson & the NSW Electoral Commissioner

On 29 May 2015, Mr Peter Jones, registered officer for the 'No Land Tax Campaign' lodged a petition in the Court of Disputed Returns. The challenge to the election result was based on claims of interference with the party's employees by the Liberal Party, Macquarie Radio Network and the Labor Party, and a defamatory smear campaign by Macquarie Radio Network. The orders sought were:

- Mr Jones be declared elected and that public funding be paid to the party for its election campaign expenditure; or
- The Legislative Council result be declared void, a new election held and election campaign expenditure be reimbursed; or
- The party receive public funding for election campaign expenditure; and
- Costs be paid by the Crown.

The petition named Mr Mark Pearson (elected to the Legislative Council representing the Animal Justice Party) as First Respondent and the Electoral Commissioner as Second Respondent.

As Mr Jones did not make any claims of misconduct on the part of the NSW Electoral Commission, nor allege any breaches of the *Parliamentary Electorates and Elections Act 1912*, the Electoral Commissioner filed a motion to have the matter dismissed pursuant to s161(1)(viii) of the *Parliamentary Electorates and Elections Act 1912*. The matter was listed for directions on 26 June 2015.

On 25 June 2015, Mr Jones filed a motion for discontinuance. The court granted leave to discontinue on 14 September 2015. The Court found that none of the matters alleged in the petition could, if proved, have constituted illegal practice within the meaning of s. 164 of the *Parliamentary Electorates and Elections Act 1912*.

Botany Bay City Council v Electoral Commissioner

Botany Bay City Council brought a Supreme Court action to compel the Acting Electoral Commissioner to provide the electoral roll, in order that the council could conduct a poll of its residents. In keeping with established NSWEC policy we had declined to provide it. The NSW Electoral Commission's view was that council access to the roll should only be provided for the purpose of conducting an election or constitutional referendum. The basic difference between elections and referenda on the one hand and polls on the other is that the first two are mandatory and binding, and necessarily have an impact on the make-up of the council and perhaps the electoral process itself, while a poll is a voluntary, non-binding survey of the residents of a local government area.

The Crown Solicitor's Office was instructed to act on our behalf and counsel was briefed. Ultimately the matter was settled out of court. The council was provided with a copy of the roll after signing an undertaking that the personal information contained therein would be strictly safeguarded.

New Local Government Regulation commences

On 3 June 2016, the Local Government (General) Amendment Candidate Information) Regulation 2016 came into effect. The Regulation:

- Provides that a candidate for civic office at a local government election must declare in their nomination papers (including the consent to the nomination, the statistical information sheet and candidate information sheet accompanying the nomination paper) whether they are a property developer, or a close associate of a corporation that is a property developer;
- Makes it clear that a nomination paper is not valid unless the person proposed for nomination has completed the candidate information sheet that is required to accompany the nomination; and
- Provides that, after the election has been declared, a Returning Officer at elections administered by a General Manager of a council must make copies of nomination papers received and send them to the Electoral Commissioner.

This Regulation applied to the September 2016 Local Government Elections.

Continuing (annual) Registration for Registered Political Parties

The *Parliamentary Electorates and Elections Act 1912* and the *Local Government Act 1993* require all Registered Political Parties (RPPs) to provide to the Electoral Commissioner, by 30 June each year, an annual return demonstrating continued eligibility for registration. Failure to lodge a completed return by this date can result in cancellation of a party's registration. The potential consequence is for a party to lose the entitlements of registration, which include access to the electoral roll (for elections purposes) and the right to nominate and endorse candidates.

During the reporting period we contacted the Registered Officers of all RPPs advising them of the requirements to be fulfilled to enable their party to maintain its registration for the forthcoming year. Each registered party has access to an online portal that they must log into in the months prior to the end of the financial year. The portal provides the party with a list of party members the party relies on to be registered. The portal identifies which of the party's members can no longer be relied on for the party's registration. A party member may no longer be able to be relied on for a party's registration if the party member is no longer on the electoral roll. The party then checks its own records for party members that have not yet been relied on for the party's registration and adds those party members' details to the online portal. By the end of the financial year the party must have added enough new party members to the portal to satisfy the requirements for the party's continued registration. Registered parliamentary parties are required to have at least 750 members and registered local government parties, 100 members.

To continue a party's registration, each year the Registered Officer of a party must provide to the Electoral Commissioner a statutory declaration to say that the party is eligible to continue to be a registered party. The statutory declaration is to be witnessed by a Justice of the Peace. The Registered Officer of a party is required to submit a statutory declaration to the Electoral Commissioner by 30 June each year even if the online portal shows that the party is relying on a sufficient number of members. Most RPPs manage the continued registration process using the online portal.

The NSW Electoral Commission increased security for the online portal in the reporting period by providing each party with a unique usernames and passwords only for those officers of the party that the party nominated to use the portal. To increase convenience to parties, we removed the need for a computer certificate, which means that the user is able to access this system from any computer located within the user's office. The change was driven by the objective of improved security around access to the system, to enhance information security and minimize the risk of loss or corruption to information.

Looking Forward – Challenges and Opportunities in 2016-17

- Working with the NSW Department of Premier and Cabinet and others to undertake comprehensive review of the *Election Funding, Expenditure and Disclosures Act 1981*;
- Managing the registration of political parties, candidates and other election participants for local government elections;
- Preparing for the 2016-17 disclosure period, which includes review and redesign of the disclosure forms. It also involves education for those people nominated as agents of a political party, elected member, candidate, group of candidates or third-party campaigner, who have a disclosure obligation for all those who participate in the 2016 Local Government Elections;
- Implementing the new laws applying to council elections and local government councillors, brought into effect on 1 July 2016 by the *Local Government and Elections Legislation Amendment (Integrity) Bill 2016*. This introduced caps on political donations, regulation of third-party campaigners and the requirement for political parties to keep a campaign account for local government elections; and
- Accurately and efficiently handling the 2016 period disclosures and integrating legislative changes into the compliance audit program for the 2016-17 disclosure lodgement period.

ELECTION SUPPORTERS. 1934



Image courtesy of State Library of NSW



Accountability, Corporate Governance and Management

This section details our accountability and corporate governance processes, including details of our committees, risk management, legislative compliance, business operations and staffing.

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Accountability, Corporate Governance and Management

Highlights of 2015-16

- Developed organisational responses to legislative changes following from the recommendations of the Panel of Experts' Inquiry into election donations and funding, that place new regulatory functions upon the NSWEC; and
- Established an independent permanent function to improve program and project delivery efficiency, reliability and consistency;
- Began developing a new complaints policy and started a multi-phase project that will make complaints handling more efficient and effective, and will increase the greatest opportunity for a positive customer experience.

Accountability for Elections Conducted

The NSW Electoral Commission has a Service Commitment Charter that applies to its conduct of elections. The NSWEC also evaluates stakeholder satisfaction and reports on this to the Parliament or to the organisation holding the election. For example, reports on the conduct of elections for clubs, statutory boards and industrial organisations are provided to each organisation following their elections.

NSW Joint Standing Committee on Electoral Matters of the NSW Parliament

The Joint Standing Committee on Electoral Matters (JSCEM) of the NSW Parliament reviews the administration and conduct of state and local government elections and any other functions referred by the Premier.

The NSW Electoral Commission provides reports to the JSCEM on our performance in conducting state or ordinary local government elections or in response to requests for submissions. These reports and submissions are available on our website. The NSWEC also periodically makes recommendations on legislative reform with respect to the conduct of elections and campaign finance. During the year the Electoral Commissioner appeared before the Parliamentary Committee on 30 October 2015.

Relationship to Parliament and Government

The NSWEC is required to report to Parliament on its work and activities. The Electoral Commissioner is required under our legislation to report to Parliament via the Annual Report in relation to some enrolment and electoral information.

The Electoral Commission met on seven occasions throughout the reporting period. Attendance is shown below.

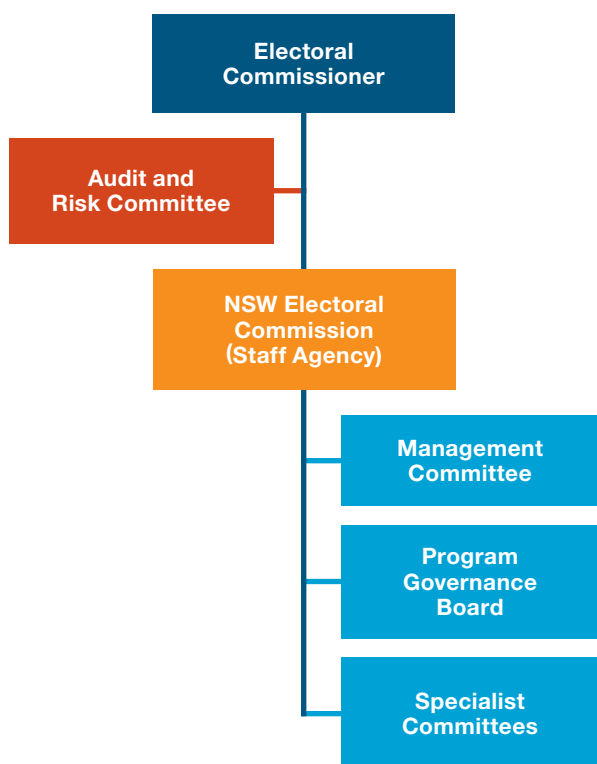
MEETING DATE	ATTENDEES
14 October 2015	Chairperson, one member and both deputies
17 December 2015	Chairperson, all members and both deputies
24 February 2016	Chairperson, all members and one deputy
23 March 2016	Chairperson, all members and one deputy
6 April 2016	Chairperson, all members and one deputy
5 May 2016	Chairperson, all members and one deputy
8 June 2016	Chairperson, all members and one deputy

Note: On 14 October, the Electoral Commissioner was represented in his absence by Ms Linda Franklin. Ms Franklin became a member on 1 January 2016 upon the retirement of Mr Barry.

Governance Arrangements within the NSWEC

The Electoral Commissioner is assisted in the management of the NSWEC by a range of internal and independent committees. The major bodies are shown below.

Figure 10 – Audit and Risk Committee



The Audit and Risk Committee offers objective advice and ensures we have the appropriate risk, control and governance processes in place. It has been established to assist the NSW Electoral Commissioner and the Directors of the NSWEC in fulfilling their responsibilities in relation to the NSW Electoral Commission’s governance, financial reporting arrangements, internal control environment and risk management process.

The Committee has independent status within the NSW Electoral Commission. It has complete access to both the internal and external auditors and to senior management and the authority to consult independent experts where this is considered necessary to carry out its duties.

The Committee’s responsibilities comply with the NSW Treasury’s Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15-03). The Committee operates under a charter that is consistent with the new policy. The policy guides the NSWEC in meeting its legislative obligations under Section 11 of the *Public Finance and Audit Act 1983*.

At its quarterly meetings, the Committee reviewed the identified risks and the controls to manage these risks. The risk data tabled at the Committee meetings include the risks posed by the NSW Local Government Election 2016 program, and the corporate based risks associated with the NSW Electoral Commission Staff Agency.

During the year the committee met on five occasions; twice in September 2015 and once in each of December 2015, February 2016 and May 2016. Committee members are Brian Suttor as Chairperson, and John Gordon and Kathleen Haddock as Independent Members.

Other attendees may include the NSW Electoral Commissioner, the NSWEC’s Chief Audit Executive, and the external and internal audit service providers (by invitation). During the year ended 30 June 2016, invited attendees were:

- Ms Linda Franklin, Acting Electoral Commissioner;
- Mr Colin Barry, NSW Electoral Commissioner (now retired);
- Mr Trevor Follett, NSWEC;
- Mr Chris Clayton, Audit Office of New South Wales;
- Ms Aubrey Perez, Audit Office of New South Wales;
- Mr Robert Hayek, Audit Office of New South Wales;
- Mr Mark Driessen, PricewaterhouseCoopers;
- Ms Elisabeth Burn, PricewaterhouseCoopers;
- Mr Alan Murray, PricewaterhouseCoopers; and
- Ms Chrissy Lau, PricewaterhouseCoopers.

Committee members are required to declare any conflict of interest. During the year ended 30 June 2016, all Committee members were asked to declare any conflicts of interest in relation to the agenda items at the beginning of the each Committee meeting. Additionally, the Committee members provided their annual Conflict of Interest Declarations to the NSW Electoral Commissioner.

Internal Audit Program

Internal audit is a fundamental element of our corporate governance structure and processes within the NSW Electoral Commission. The Internal Audit function is made up of the NSWEC’s Chief Audit Executive and the external provider of internal audit services, PricewaterhouseCoopers. PWC was reappointed as internal audit service provider in a ‘back-to-market’ tender conducted this financial year. The tender was awarded for five years until 31 December 2020.

Accountability, Corporate Governance and Management continued

The status of the internal audit engagements and associated findings raised from these engagements are described below.

Figure 11 – Internal audit engagements and their status as at 30 June 2016

INTERNAL AUDIT ENGAGEMENTS	STATUS (30 JUNE 2016)	NUMBER OF LOW RISK-RATED FINDINGS	NUMBER OF MEDIUM RISK-RATED FINDINGS	NUMBER OF HIGH RISK-RATED FINDINGS
Procurement and Contract Management	Complete	3	1	2
Program Board Financial Reporting	Complete	2	2	3
Election Payroll	Complete	2	3	1
Lobbyist Register	Complete	1	2	0
Total		8	8	6

The following areas of the NSWEC will be reviewed in the coming year:

- Election Critical Information Technology Systems (August 2016);
- Ballot Paper Management – Follow-up Review (September 2016); and
- Funding, Disclosure and Compliance – Claims and Disclosure Management (January 2017).

Management Committee and Internal Committees

The Management Committee acts as an advisory board to the Electoral Commissioner on policy and operational matters within the NSW Electoral Commission.

Members have individual and collective responsibility to implement the decisions of the Electoral Commissioner and the Management Committee; manage the operational requirements of such decisions; and identify avenues to further increase the effectiveness and efficiency of the NSW Electoral Commission.

In the year ending 30 June 2016 the Management Committee met 12 times. The meeting dates and attendances are outlined at Appendix M.

Program Governance Board

Portfolio Management Office

The NSW Electoral Commission Portfolio Management Office (PMO) was established in February 2016, as an independent permanent function to improve program and project delivery efficiency, reliability and consistency. Reporting to the Commissioner, the PMO initially focused on implementing effective controls around the 2016 Local Government Election Program, providing executive assurance including accurate forward planning, risk and interdependency management. From April 2016, the PMO extended its attention to the broader portfolio of projects across the NSW Electoral Commission, applying the same consistent project management controls and assurance capability. As the year concluded, the NSWEC Executive was able to rely on the suite of Portfolio Dashboard Reports to understand status of and provide direction to all programs and projects either in early planning or in varying stages of delivery.

Risk and Audit Committee

Risk Management

Risk management underpins the NSW Electoral Commission's governance arrangements. It is a fundamental component of the internal control framework that supports good governance. This assists in providing assurance that the NSWEC will be able to meet its objectives without exceeding its ability to accept or tolerate risk. These foundations deliver organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management for all election events and business processes.

Risk Register

The register underpins a structured and transparent process for risk management and provides a central view of identified risks and management strategies. The NSW Electoral Commissioner and the Directors review the risk registers on a monthly basis and, where necessary, update the risk registers for any changes. The NSW Electoral Commission is keenly aware of the strategic consequences of not managing risks successfully in conducting elections, and has continued to manage the risks in its business operations and other projects.

The Management Committee is supplemented by a Program Governance Board, which is established for major election events such as state general and local government elections. This board oversees projects and budgets specific to each major event.

In addition, specialist steering committees are established as needed (for example, the IT Steering Committee). The IT Steering Committee is a forum for discussion and identification of IT issues and future IT resource needs, to assist with organisational planning and prioritising. The Committee met ten times during 2015-16.

The work of the Board, the Electoral Commission and the Management Committee draws heavily upon its legal capacity. In the reporting period just concluded, 126 legal advice matters were provided on subjects such as statutory interpretation of the various pieces of legislation applying to the NSW Electoral Commission.

In its internal compliance work, the NSW Electoral Commission continually reviews all policies and procedures, including assessing these against WCAG accessibility requirements in the publication of those instruments. These reviews identified a number of policies and procedures for development or revision, including:

- Policies and Procedures for Management of Third-party Lobbyists function;
- Prosecution Policy;
- Complaints Handling Policy;
- Subpoena Policy;
- Privacy Management Plan;
- GIPA Policy and Procedures;
- Meeting Practice Guide for the NSWEC;
- Manual for Members of the NSWEC; and
- Delegations Policy and Procedure including Delegations Register.

Organisational Change and Development

The NSW Electoral Commission is currently undergoing a major restructure, to enable us to comply with the *Government Sector Employment Act*, which places Senior Executive Public Service employee positions within a new Capability Framework. Capabilities are the knowledge, skills and abilities public sector employees must demonstrate to perform their roles effectively. This move is a key plank in the Public Service Commission's Strategic Priority to develop NSW public sector capability, providing a common foundation for creating roles, recruiting to roles, managing performance, capability development, career planning and, more broadly, workforce planning.

A comprehensive review and restructure of the Funding, Disclosure and Compliance Branch was completed, with the aim of building stronger regulatory and client service functions within the NSW Electoral Commission as recommended by the Expert Panel (recommendation 48). The Branch includes 26 permanent and temporary roles divided into teams addressing:

- **Administration** – providing support to the branch in the areas of record keeping, file management and general administration services;
- **Client services** – providing professional client service in the areas of public funding, political party registration, disclosure of political donations and electoral expenditure and registration of electoral participants and their agents;
- **Regulatory advice and analysis** – 2013 providing education and awareness of election campaign finance requirements to both internal staff and external stakeholders and developing internal best practice policies and procedures; and
- **Compliance** – undertaking compliance audits and reviews of external stakeholders in the areas of political donations and electoral expenditure; reviewing claims for public funding made by eligible stakeholders; investigating and enforcing potential breaches of the legislation and undertaking an intelligence function.

The restructure of the NSW Electoral Commission will continue throughout 2016-17.

Accountability, Corporate Governance and Management continued

Complaints Handling

During the year the NSW Electoral Commission monitored, and responded to, complaints made by our stakeholders. As in previous years, the major sources of complaints were enrolment, and penalty notices for failure to vote: the overwhelming majority relating to the 2015 State General Election.

This year, in alignment with the NSW Ombudsman's Model Policy and the Premier's Priority to improve government services, the NSW Electoral Commission began developing a new complaints policy and started a multi-phase project to ensure complaints handling is efficient, effective and provides the greatest opportunity for a positive customer experience. Phase 1 of the project focused on policy development and establishing a strong foundation for addressing complaints. Phase 2 will build on this to deliver robust complaints handling systems and continuous improvement.

External Committees

The NSW Electoral Commission is represented on a number of external committees that assist it in undertaking its role and which contribute to the larger electoral framework.

Electoral Council of Australia and New Zealand (ECANZ)

ECANZ is a consultative council of all Electoral Commissions from Australia and New Zealand that reviews the management of electoral rolls for Commonwealth, State, Territory and Local Government elections and considers advances of electoral administration. The ECANZ met on four occasions during the year, as outlined below. The first two meetings were attended by the Electoral Commissioner and the second two by the Acting Electoral Commissioner:

- Adelaide, 2 July 2015;
- Sydney, 4 November 2015;
- Hobart, 4 February 2016; and
- Melbourne, 7 June 2016.

State and Territories Electoral Commissioners (STEC)

The STEC was a collaborative body that considered electoral policy and operational matters of mutual interest. The STEC met twice during the year, concurrent with the first two meetings of ECANZ. The Electoral Commissioner attended both meetings. The STEC was folded into ECANZ in late 2015.

Electoral Regulation Research Network

The Electoral Regulation Research Network was established in 2012 to foster exchange and discussion among academics, electoral commissions and other interested groups on research relating to electoral regulation. Over the last year, as a sponsor of the network, the Electoral Commissioner attended the first two meetings, with the Acting Electoral Commissioner attending the final two meetings over the course of the last year:

- Melbourne, 21 August 2015;
- Melbourne, 7 December 2015;
- Melbourne, 22 January 2016; and
- Melbourne, 20 June 2016.

The NSWEC actively participates in the Network. Principal Legal Officer Mel Keenan presented a paper to the Network in late 2015 titled "The Regulation of Lobbying in NSW." Terrie Roberts provided Case Notes on the matter of *Jones v Pearson* in the Court of Disputed Returns, published in the Network's October Newsletter. In November our Director Funding, Disclosure and Compliance, Alison Byrne, addressed the Network on the subject of 'Implications of Change in Election Campaign Finance Laws in NSW'.

In the coming year, the NSW Electoral Commission will participate in a study supported by the ERRN in which Professor Rodney Smith of the University of Sydney will lead a team on a project entitled 'Implications of Changes to Voting in Australia'. The Western Australian Electoral Commission will also be involved.

In other contributions to the body of knowledge of electoral administration and regulation, Alison Byrne presented a seminar on 'The Challenge of Enforcement' as part of the Money, Law and Politics unit in the Master of Law program at the University of Melbourne.

Australian Electoral Commission's Indigenous Electoral Participation Program (IEPP)

Indigenous Australians are much less likely to enrol to vote than other Australians, and many of those enrolled either do not vote or vote incorrectly. The Australian Electoral Commission established the Indigenous Electoral Participation Program (IEPP) in 2010 to close the gap in Indigenous disadvantage in electoral participation.

Our Community Education Officer met with the IEPP team every two months throughout the year and maintained close contact between meetings. This network is a two-way partnership in which the IEPP team provided assistance for our targeted recruitment strategy for the Aboriginal Land Council election. Similarly the NSW Electoral Commission assisted the IEPP team with their targeted recruitment strategy for the recent Federal election.

NSWEC Community Reference Groups

We continued to consult with our three community reference groups to increase our understanding of barriers to voting and enrolment for marginalised electors and electors with additional needs. The reference groups meet annually and regularly provide specific feedback and advice on information resources and community engagement activities.

The Reference Groups and their members are listed below.

Aboriginal and Torres Strait Islander Reference Group

- Aboriginal Disability Network NSW;
- Aboriginal Employment Strategy;
- National Centre of Indigenous Excellence;
- Indigenous Electoral Participation Program – Australian Electoral Commission (AEC);
- NSW Aboriginal Education Consultative Group;
- National Indigenous Youth Parliament Representative;
- NSW Aboriginal Land Council;
- Family and Community Services Aboriginal Affairs NSW;
- Anti-Discrimination Board of NSW;
- Local Government NSW; and
- NSW Ombudsman.

Culturally and Linguistically Diverse Reference Group

- Arab Councils of Australia;
- Australian Chinese Community Association of NSW;
- Community Migrant Resource Centre;
- Ethnic Community Council of NSW;
- Greek Welfare Centre;
- Local Community Services Association;
- Multicultural Disability Advocacy Association of NSW;
- Multicultural Youth Affairs Network (MYAN);
- Settlement Council of Australia;
- Sydney Multicultural Community Services;
- TAFE Multicultural Engagement Program;
- Vietnamese Community in Australia – NSW Chapter;
- National Ethnic Disability Alliance;
- Diversity Services (NSW Department of Justice); and
- Multicultural NSW.

Disability Reference Group

- Aboriginal Disability Network NSW;
- Blind Citizens Australia;
- Carers NSW;
- Council of Social Services of NSW;
- Deaf Society of NSW;
- Deafness Forum Australia;
- Mental Health Association NSW Inc.;
- Mental Health Coordinating Council;
- Multicultural Disability Advocacy Association of NSW;
- National Ethnic Disability Alliance;
- NSW Council for Intellectual Disability;
- NSW Disability Discrimination Legal Centre;
- People with Disability Australia Inc.;
- Physical Disability Australia;
- Physical Disability Council NSW;
- Self Help for Hard of Hearing People;
- Vision Australia;
- Synapse NSW; and
- Local Government NSW.

Attestations

Attestation of Digital Information Security

Risks to the digital information and digital information system of NSW Electoral Commission have been assessed with an independent ISMS developed in accordance with the NSW Government Digital Information Security Policy. The attestation of compliance is shown below.

Information Management Attestation



Digital Information Security Annual Attestation Statement for the 2015-2016 Financial Year for NSW Electoral Commission

I, Linda Franklin, am of the opinion that NSW Electoral Commission had an Information Management System in place during the 2015-2016 financial year that is consistent with the Core Requirements set out in the NSW Government Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of NSW Electoral Commission are partially operational. The NSW Electoral Commission has a programme in place to make them fully operational during the coming financial year.

Risks to the digital information and digital information system of NSW Electoral Commission have been assessed with an independent ISMS developed in accordance with the NSW Government Digital Information Security Policy.

A handwritten signature in black ink, appearing to read 'L. Franklin', written in a cursive style.

Linda Franklin

Acting Electoral Commissioner

Date: 4 August 2016

Attestation Internal Audit and Risk Management Policy

Every year, the NSW Electoral Commissioner is required to attest compliance with NSW Treasury TPP 15-03 *Internal Audit and Risk Management Policy* for the NSW Public Sector. The Acting NSW Commissioner's Annual Attestation statement is shown below and continued overleaf.

Internal Audit and Risk Management Attestation Statement for the 2015 – 2016 Financial Year for New South Wales Electoral Commission

I, Linda Franklin am of the opinion that the NSW Electoral Commission (NSWEC) has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements

For each requirement please specify whether compliant, non-compliant, or in transition⁵⁰

Risk Management Framework

- | | | |
|-----|---|-----------|
| 1.1 | The Electoral Commissioner is ultimately responsible and accountable for risk management in the NSWEC. | Compliant |
| 1.2 | A risk management framework that is appropriate to the NSWEC has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 | Compliant |

Internal Audit Function

- | | | |
|-----|--|-----------|
| 2.1 | An internal audit function has been established and maintained | Compliant |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing | Compliant |
| 2.3 | The NSWEC has an Internal Audit Charter that is consistent with the content of the 'model charter' | Compliant |

Audit and Risk Committee

- | | | |
|-----|---|-----------|
| 3.1 | An independent Audit and Risk Committee with appropriate expertise has been established | Compliant |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the Electoral Commissioner on the NSWEC's governance processes, risk management and control frameworks, and its external accountability obligations | Compliant |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter' | Compliant |

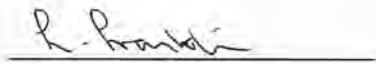
⁵⁰ Where an agency notes that it has been 'non-complaint' or 'in-transition', the agency head must complete the 'Departure from Core Requirements' section below.

Attestations continued

Membership

The chair and members of the Audit and Risk Committee are:⁵¹

- Independent Chair, Brian Suttor, reappointed on 2 December 2013 for four years with the term ending 1 December 2017.
- Independent Member, Kathleen Haddock, reappointed on 14 May 2014 for four years with the term ending 13 May 2018.
- Independent Member, John Gordon, reappointed on 13 October 2014 for four years with the term ending 13 October 2018.



Linda Franklin
Acting Electoral Commissioner
New South Wales Electoral Commission
4th August 2016

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⁵¹ For those agencies with an Audit and Risk Committee that includes non-independent members at the time of commencement of this Policy and Guidelines Paper, agencies will be required to disclose non-independent members on their attestations. As per the Policy and Guidelines, agencies will have a transition period of two years from the commencement of the policy for the Committee to be reconstituted with Independent members only.

Staffing

The major people management challenges for the reporting period were the need for an updated human resources business plan that addresses our corporate challenges, and establishing a team equipped to support the NSW Electoral Commission in achieving its objectives. The significant projects implemented concerned:

- Managing the human resource changes arising from the new organisational structure and their relationship to the organisation's business;
- Developing a strategic human resource plan and the means to report on progress in implementation;
- Enabling access to data within the organisation that facilitates better people management;
- Undertaking recruitment to fill new positions and ensuring new starters are equipped with the necessary tools to perform their tasks;
- Championing the People Matter employee survey coordinated by the Public Service Commission, to maintain the organisational participation rate; and
- Supporting the preparation for the 2016 Local Government Elections by for example, improving the incident and accident forms for election officials, providing recruitment and other expertise.

Senior Executive Service Profile

The NSWEC's senior staffing profile is unchanged from the previous reporting period.

Table 23 – NSWEC Senior Staffing Profile

NUMBER OF CES/SES POSITIONS	NO. OF STAFF	GENDER
POH (Acting EC)	1	1 Female
SES Band 1	2	1 Female 1 Male

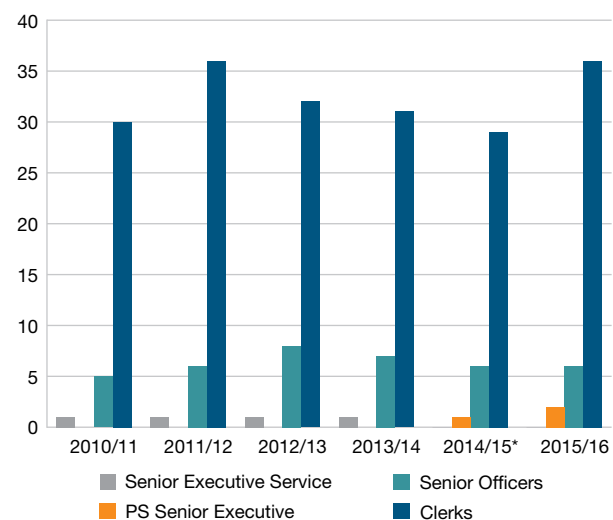
The NSWEC's ongoing staffing numbers (excluding contractors employed specifically for the preparation of the 2016 Local Government Elections) are shown below.

Table 24 – NSWEC Staff Numbers (FTEs) 2015-2016

LEVEL	NO. OF STAFF	GENDER
Senior Officers	5	1 Female 4 Male
Clerk	36	24 Female 12 Male
Temporary Officers	44	23 Female 21 Male

The cyclical nature of the NSWEC's business is reflected in the changes of categories of staff employed, as shown in the graph below, for the years 2011-12 through to 2015-16.

Figure 12 – Categories of Staff by Engagement Type, 2011-11 to 2015-16.



Accountability, Corporate Governance and Management continued

Table 25 – Numbers and remuneration of executive officers 2015-16

	NUMBER OF EMPLOYEES	RANGE \$	AVERAGE REMUNERATION 2016
Band 3 (equivalent)	1	313,051 – 441,200	375,200
Band 2 (equivalent)	0	248,851 – 313,050	-
Band 1 (equivalent)	11	174,500 – 248,850	204,695

Of the NSWEC's employee related expenditure, 20.41 per cent was associated with senior executives.

Learning and Development Statistics

There was a further slight increase in the average days of training from the previous year, with ongoing and temporary officers attending 3.7 days of training in 2015-16, compared with 3.46 in 2014-15. The NSW Electoral Commission supports staff training either financially or by allowing the time for staff to attend classes or study during work hours.

Table 26 – Staff Training 2015-16

TRAINING TYPE	NO. OF STAFF	NUMBER OF DAYS TRAINING OR EQUIVALENT
Internal course	88	Average of 2.7 days per officer (241 days by 88 ongoing and temporary officers)
External course	88	Average 0.9 days per officer (81 days by 88 ongoing and temporary officers)
Other development programs (e.g., mentoring, coaching, facilitating lectures/training, networking,	5	10 days
Study Assistance Provisions: Business – post graduate	1 permanent officer	
Study Assistance Provisions: Project Management	1 permanent officer	
Study Assistance Provisions: Law	1 permanent officer	
Study Assistance Provisions: Management	1 permanent officer	

Internal training included privacy and security seminars, change management workshops, systems workshops (such as the financial and records systems and the performance management cycle system) and workplace health and safety.

Development for senior management staff of the NSW Electoral Commission included attendance at a Council on Government Ethics Law Conference in the United States of America by the Director, Funding, Disclosure and Compliance Branch in December 2015.

Staffing Changes

Over the past five years recruitment and separation of staff within the NSWEC have increased. The rise in the separation rate is in keeping with the growth in commencements.

Table 27 – Separations and Movements Permanent Staff, 2010-11 to 2015-16

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total commencements	7	18	7	12	14	24
Total continuous	50	46	49	49	54	57
Total separation	4	9	15	8	10	11
Separation rate (%)	6.6	12.3	21.1	11.6	12.8	12.0

Secondments

The NSW Electoral Commission also supports staff increasing their experience in other related organisations, and encourages staff from other organisations to undertake projects within the NSWEC. In 2015-16 a number of secondments were organised.

Table 28 – Secondments Organised, 2015-2016

NUMBER	ORGANISATIONS AND TIMEFRAME
4	Service NSW for 12 months Health Education and Training Institute for 18 months NSW Parliament for 7 months Anti-Discrimination Board for 6 months

Workplace Health and Safety

There was an increase in work related injuries reported largely resulting from increased reporting performance.

Table 29 – Work-related injuries and claims 2015-16

DETAIL	NUMBERS
Work-related injuries	32 incidents relating to head office staff and election officials reported to insurance provider
Claims	10 claims (payment of medical reimbursements or weekly earnings prior to injury)

Workplace health and safety training is provided to new starters as part of their induction.

Sick Leave

Use of sick leave tends to vary over time. The rate for the reporting period is slightly higher than in 2014-15, but is generally comparable with previous years.

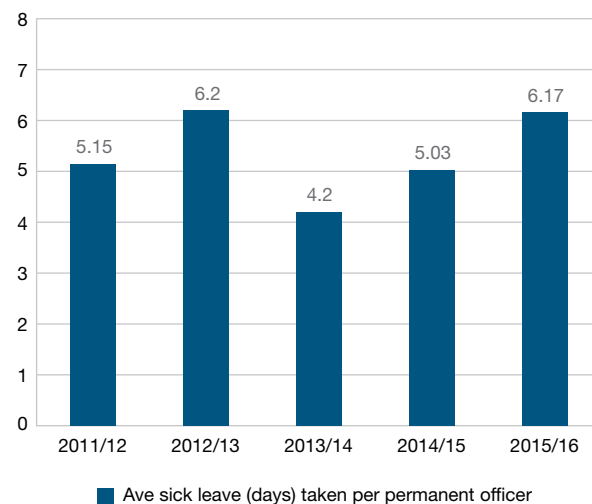
Table 30 – Sick leave taken, 2015-16

INDICATORS	NUMBER
Absences (days)	497
Occasions	723

Table 31 – Sick leave taken, 2011-12 to 2015-16.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Average Sick Leave (days) taken per permanent officer	5.15	6.2	4.2	5.03	6.17

Graph 6 – Average Sick Days per Permanent Officer



Protected Disclosures

During the financial reporting year, the NSW Electoral Commission received no reports of corrupt conduct via the internal reporting system.

Corruption Prevention

ICAC referred one matter to our office with no investigation requirement. After a review, the NSWEC closed the matter without further action (no investigation).

Consultation with Unions

The NSW Electoral Commission consulted with the PSA in 2015 in relation to the changes planned for the Funding, Disclosure and Compliance Branch of the NSWEC.

Accountability, Corporate Governance and Management continued

Diversity in the Workplace

As the NSW Electoral Commission has not consistently maintained information on the diversity of its head office staff, we have introduced a practice of circulating an Equal Employment Opportunity survey on a regular basis to coincide with the required reporting cycle. The response is represented in the table below.

Table 32 – Trends in the Representation of EEO Groups, % of Total Staff, 2011 to 2016

EEO GROUP	TARGET %	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %
Women ¹	50	50.94	54.68	58.92	55.74	51.47	55.55
Aboriginal people and Torres Strait Islanders ²	2	0		-	2.7	-	0
People whose first language is not English ²	20	18.75		-	11.11	-	17.86
People who identified themselves as having a disability ²	12	6.25		-	10.81	-	7.14
People with a disability requiring work-related adjustment ²	7	6.25 ³		-	7.21 ⁴	-	0
People identifying as having come from a racial, ethnic or ethno-religious group ²		12.9			22.22		21.43

Notes: 1. Source: Annual Workforce Profile Report. 2. Source: Response to EEO survey distributed each June. 3. 100% of respondents who identified as having disability. 4. 66.67% of respondents who identified as having a disability.

The NSW Electoral Commission has become increasingly successful in achieving election staff profiles that reflect the local community. During this reporting year, the NSWEC conducted the Aboriginal Land Council Election on 31 October 2015, one by-election and one poll. Of the 324 election officials involved in the NSW Aboriginal Land Council election, 61 per cent identified as an Aboriginal Australian or Torres Strait Islander.

Commitment to Privacy

The NSW Electoral Commission has considerable holdings of data, much of which includes personal and health information. The NSWEC takes this responsibility very seriously, and in compliance with NSW privacy law, undertook privacy training for employees. The NSWEC had no privacy matters that required review under NSW privacy legislation.

Staff of the NSW Electoral Commission have privacy protection responsibilities in relation to our agency's unique functions, such as maintaining the NSW electoral roll, conducting state and local government elections, enforcing failure to vote offences and regulating election campaign finance.

To ensure staff are fully aware of fundamentals in privacy and security, in late November 2015, Legal Branch and IT Branch collaborated to develop and deliver awareness seminars concerning privacy, information security and records management.

Government Information (Public Access) Act 2009

Section 125 of the *Government Information (Public Access) Act 2009* (GIPA Act) requires an agency to prepare an annual report on the agency's obligations under the GIPA Act. The *Government Information (Public Access) Regulation 2009* (GIPA Regulation) sets out the information to be included in the annual report.

During the 2016-2016 financial year, the NSWEC Staff Agency provided administrative services to the NSW Electoral Commission (a statutory corporation established under section 21A of the *Parliamentary Electorates and Elections Act 1912*).

The report below is prepared by the NSWEC Staff Agency as required under Section 125 of the GIPA Act and concerns access to government information pertaining to both the NSWEC and the EFA.

Agency Name	New South Wales Electoral Commission Staff Agency for the NSW Electoral Commission
Principal Department (if applicable)	N/A
Reporting Period	2015-2016

Obligations under the *Government Information (Public Access) Act 2009*

1. Review of proactive release program – Clause 7(a)

Our program for proactive release of information is detailed in our Government Information Public Access Policy and procedures document, available on the NSWEC website.

Information proactively released during the reporting period includes:

Table 33 – Proactive information release under *Government Information (Public Access) Act 2009*

DETAILS	PUBLISHED	WEBSITE
Report on the Conduct of the 2015 State General Election	Sep-15	NSWEC
Ipsos Social Research Institute's research on behalf of the NSW Electoral Commission for the 2015 NSW state general election	Jun-15	NSWEC
Report on the 2015 NSW Aboriginal Land Council Election	Oct-15	NSWEC
iVote Post Implementation Report for SGE 2015	Jul-15	NSWEC
iVote Electronic Voting Securely in the Digital Age	Aug-15	NSWEC
Response from the NSW Electoral Commission to iVote Security Allegations	Oct-15	NSWEC
Response by the NSW Electoral Commission to Observations of Bias in iVote results	Dec-15	NSWEC
Submission to the Expert Panel – Political Donations and the Government's Response from the NSW Electoral Commission	Oct-15	NSWEC, Parliament NSW
Supplementary Submission to the Expert Panel – Political Donations and the Government's Response from the NSW Electoral Commission	Jun-16	NSWEC, Parliament NSW

2. Number of access applications received – Clause 7(b)

During the reporting period, we received a total of seven formal applications for access to information not covered under the open access provisions of the *Government Information (Public Access) Act 2009*. This figure includes withdrawn applications but not invalid applications. A detailed analysis of applications received is available at Appendix N.

3. Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, we

- Refused one access application in part because the information requested was information referred to in Schedule 1 to the *Government Information (Public Access) Act 2009*;
- Refused one access application because the information requested was information referred to in s.14 of the GIPA Act; and
- Refused two access applications pursuant to s.58(1)(b) of the *Government Information (Public Access) Act 2009* because the information requested was not held by our agency.

The Coming Year

The Joint Standing Committee on Electoral Matters will hold hearings as part of its inquiry into the conduct of the 2015 State General Elections. The NSW Electoral Commission will assist the Committee in the inquiry.

We will continue to:

- Invest in change management to meet organisational challenges and business requirements;
- Develop the complaints handling systems infrastructure and using the knowledge gained for improving services;
- Implement the Human Capital Management System;
- Review human resource policies; and
- Respond to findings of the People Matter Surveys conducted by the Public Service Commission.

GOVERNMENT PRINTING OFFICE

TALLY ROOM 1973 STATE ELECTIONS



POLLING BOOTH IN COOLROOM,
DOUBLE GATES HOTEL



Financial Performance

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Financial Summary and Performance

5-YEAR TREND ANALYSIS

\$'000's	2011-12	2012-13	2013-14	2014-15 ⁽¹⁾	2015-16
REVENUE					
Government Contributions	25,010	25,717	32,318	97,990	57,520
Sale of Goods and Services	4,074	3,381	717	1,231	1,086
Investment Revenue	97	224	176	147	-
Other Revenue		18,616		-	3,665
Total Revenue	29,181	47,938	33,211	99,368	62,271
EXPENDITURE					
Employee Related	11,039	8,102	8,432	29,087 ⁽²⁾	11,685
Other Operating Exp	5,347	9,863	13,215	45,537	16,236
Depreciation & Amortisation	5,633	5,245	4,725	6,054	4,296
Other Expenditure	9,359	25,096	7,803	19,880	27,274
Total Expenditure	31,378	48,306	34,175	100,558	59,491
ASSETS					
Cash, Receivables and Inventories	7,440	7,837	6,339	7,972	9,701
Plant & Equipment	1,990	1,209	2,143	2,363	1,946
Intangible Assets	16,776	13,787	13,764	11,986	11,941
Total Assets	26,206	22,833	22,246	22,321	23,588
Total Liabilities	6,820	3,820	4,200	5,473	3,971
Total Equity	19,386	19,013	18,046	16,848	19,617
Administered Revenues ⁽³⁾	496	11,660	573	19,585	19
PAYMENT OF ACCOUNTS					
Paid under 30 days	95.3%	99.4%	99.6%	99.8%	99.51%

Notes: (1) 2014-15 includes seven months consolidated activity of the former Election Funding Authority of NSW.
(2) 2014-15 'Employee Related' includes Election Official Wages previously described under 'Other Expenditure'
(3) 'Administered Revenues' are related to fines for failure to vote collected on behalf of the NSW Government.

Financial Position

The NSW Electoral Commission carries out its functions in accordance with the *Public Finance and Audit Act 1983* and the Treasurer's Directions. Audited financial statements accompany this report.

The 2015-16 financial year was a period in which our activity was reduced in some areas and greatly intensified in others. Revenue fell \$7.7 million below the budget of \$70.0 million, as can be expected at this stage of the election cycle. The 18-month period before a round of local government elections sees a reduction in local council by-elections, and the most recent round of September local government elections fell outside the reporting period.

Similarly, expenses incurred vary depending on the election cycle. We delivered our services within the 'Net Cost of Services' allocation made by Treasury, and at \$59.5 million were under budget by \$10.1 million. The reduced expenditure is largely because of withheld payments from the Election Campaigns, Administration and Policy Development Funds through the Funding, Disclosure and Compliance regime. These payments have now been released.

We also began a restructure that will reduce eight operating branches to four divisions. In the first phase, a number of positions were deleted from the organisation structure. The NSW Electoral Commission met the \$475,000 cost of redundancies associated with these positions.

Net result

The actual net result was \$2,317,000 higher than the budgeted amount of \$452,000. Total expenses were \$10,053,000 lower than budget. This was due to lower local government election costs in 2015-16 from the reduced number of council elections to be held in September 2016, discounted payments to the Commonwealth for the joint roll agreement of \$1,276,000 reduced depreciation of \$2,637,000 and a \$755,000 saving from no by-elections being held during the year. This reduction in expenses was partially offset by a corresponding decrease in revenue from government funding for the lower local government election costs and discounted payments to the Commonwealth.

Payment of accounts

Figure 13 – Payment of accounts for the 2015-16 year

QUARTER	CURRENT (\$)	LESS THAN 30 DAYS (\$)	BETWEEN 30 AND 60 DAYS (\$)	BETWEEN 60 AND 90 DAYS (\$)	MORE THAN 90 DAYS (\$)	TARGET	ACTUAL	TOTAL (\$)
September	24,374,121	0	0	0	0	100%	100%	24,374,121
December	7,283,006	0	226,625	0	0	100%	97.0%	7,509,632
March	6,738,224	0	0	0	0	100%	100%	6,738,224
June	11,661,848	0	0	0	0	100%	100%	11,661,848
Total	50,057,200	0	226,625	0	0	100%	99.5%	50,283,826

Time for payment of accounts

Our performance in payments continues to be high with an average of 99.5 per cent of all accounts being paid on time. There were no instances where interest was paid due to late payments.

Major works

We engaged in two major works projects during the year ending 30 June 2016. These were:

- ICT Infrastructure \$0.8 million
- Roll Management System \$2.8 million

Financial Position continued

Major assets

We have \$23.6 million in assets of which \$13.9 million are plant, equipment and intangible assets.

Consultants

During the year, we engaged three consultants at a total cost of \$225,000. The consultancy work was categorised as management services.

Credit card certification

We have entered into an arrangement with Westpac Banking Corporation for the provision of credit cards. The use of the credit card is governed by our 'Credit Card Policy' which employees acknowledge upon application for a credit card. The NSW Electoral Commissioner certifies that the usage of credit cards within the reporting period has been in accordance with Premier's Memoranda and the Treasurer's Directions.

Statement by the Electoral Commissioner



Statement by the Electoral Commissioner

Pursuant to Section 41C(1B) of the *Public Finance and Audit Act 1983*, I, to the best of my knowledge and belief state that:

(a) The accompanying financial statements of the New South Wales Electoral Commission have been prepared in accordance with Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, the Treasurer's Directions, and the Financial Reporting Code for NSW General Government Sector Entities;

(b) The statements exhibit a true and fair view of the financial position as at 30 June 2016 of the New South Wales Electoral Commission and financial performance for the year then ended; and

(c) There are no circumstances which would render any particulars included in the financial statements to be misleading or in accurate.

A handwritten signature in black ink that reads 'John Schmidt'.

John Schmidt
Electoral Commissioner
1 September 2016

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

New South Wales Electoral Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the New South Wales Electoral Commission (the Commission), which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and a summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Commission and the consolidated entity. The consolidated entity comprises the Commission and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission and the consolidated entity as at 30 June 2016, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the *Public Finance and Audit Regulation 2015*.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Commission and the consolidated entity in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services.

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

Independent Auditor's Report

The Electoral Commissioner's Responsibility for the Financial Statements

The Electoral Commissioner is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Electoral Commissioner determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Electoral Commissioner must assess the ability of the Commission and the consolidated entity to continue as a going concern unless operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Commission or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Margaret Crawford
Auditor-General of NSW

5 September 2016
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	CONSOLIDATED			PARENT	
		ACTUAL 2016 \$'000	BUDGET 2016 \$'000	ACTUAL 2015 \$'000	ACTUAL 2016 \$'000	ACTUAL 2015 \$'000
EXPENSES EXCLUDING LOSSES						
Operating expenses						
Employee related	2(a)	11,685	15,016	29,087	559	490
Personnel services	2(b)	-	-	-	10,813	28,255
Other operating expenses	2(c)	16,236	8,326	45,537	16,236	45,537
Depreciation and amortisation	2(d)	4,296	6,933	6,054	4,296	6,054
Other expenses	2(e)	27,274	39,280	19,880	27,274	19,880
Total Expenses excluding losses		59,491	69,555	100,558	59,178	100,216
REVENUE						
Recurrent appropriation (net of transfer payments)	3(a)	53,362	60,057	92,629	53,362	92,629
Capital appropriation (net of transfer payments)	3(a)	3,845	8,234	3,649	3,845	3,649
(Transfers to the Crown Entity)	3(a)	-	(8,600)	-	-	-
Sale of goods and services	3(b)	1,086	1,251	1,231	1,086	1,231
Investment revenue	3(c)	-	-	147	-	147
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	313	465	342	-	-
Grants and contributions	3(e)	-	-	1,370	-	1,370
Other revenue	3(f)	3,665	8,600	-	3,665	-
Total Revenue		62,271	70,007	99,368	61,958	99,026
Loss on disposal	4	11	-	8	11	8
Net Result	20	2,769	452	(1,198)	2,769	(1,198)
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		2,769	452	(1,198)	2,769	(1,198)

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2016

	ACCUMULATED FUNDS		
	NOTES	CONSOLIDATED \$'000	PARENT \$'000
Balance at 1 July 2015		16,848	16,848
Net result for the year		2,769	2,769
Total other comprehensive income		-	-
Total comprehensive income for the year		2,769	2,769
Balance at 30 June 2016		19,617	19,617
Balance at 1 July 2014		18,046	18,046
Net result for the year		(1,198)	(1,198)
Total other comprehensive income		-	-
Total comprehensive income for the year		(1,198)	(1,198)
Balance at 30 June 2015		16,848	16,848

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 JUNE 2016

	NOTES	CONSOLIDATED			PARENT	
		ACTUAL 2016 \$'000	BUDGET 2016 \$'000	ACTUAL 2015 \$'000	ACTUAL 2016 \$'000	ACTUAL 2015 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	7	3,816	2,684	6,685	3,816	6,685
Receivables	8	5,785	4,466	1,153	5,785	1,153
Inventories	9	100	121	134	100	134
Total Current Assets		9,701	7,271	7,972	9,701	7,972
Non-Current Assets						
Plant and equipment	10	1,946	7,525	2,363	1,946	2,363
Intangible assets	11	11,941	7,580	11,986	11,941	11,986
Total Non-Current Assets		13,887	15,105	14,349	13,887	14,349
Total Assets		23,588	22,376	22,321	23,588	22,321
LIABILITIES						
Current Liabilities						
Payables	14	1,920	2,168	2,859	1,920	2,859
Provisions	15	1,428	1,219	1,466	1,428	1,466
Other	16	63	8	594	63	594
Total Current Liabilities		3,411	3,395	4,919	3,411	4,919
Non-Current Liabilities						
Provisions	15	560	489	554	560	554
Total Non-Current Liabilities		560	489	554	560	554
Total Liabilities		3,971	3,884	5,473	3,971	5,473
Net Assets		19,617	18,492	16,848	19,617	16,848
EQUITY						
Accumulated funds		19,617	18,492	16,848	19,617	16,848
Total Equity		19,617	18,492	16,848	19,617	16,848

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	CONSOLIDATED			PARENT	
		ACTUAL 2016 \$'000	BUDGET 2016 \$'000	ACTUAL 2015 \$'000	ACTUAL 2016 \$'000	ACTUAL 2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(11,732)	(14,779)	(28,812)	-	-
Personnel services		-	-	-	(11,732)	(28,812)
Other		(47,625)	(54,161)	(70,460)	(47,625)	(70,460)
Total Payments		(59,357)	(68,940)	(99,272)	(59,357)	(99,272)
RECEIPTS						
Recurrent appropriation		52,768	60,057	93,190	52,768	93,190
Capital appropriation (excluding equity appropriations)		3,908	8,234	3,649	3,908	3,649
Sale of goods and services		1,079	803	2,937	1,079	2,937
Interest received		76	-	158	76	158
Cash transfers to the Crown Entity		-	(8,600)	-	-	-
Other		2,502	13,600	5,590	2,502	5,590
Total Receipts		60,333	74,094	105,524	60,333	105,524
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	976	5,154	6,252	976	6,252
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of plant and equipment and intangible assets		(3,845)	(8,234)	(4,504)	(3,845)	(4,504)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(3,845)	(8,234)	(4,504)	(3,845)	(4,504)
CASH FLOWS FROM FINANCING ACTIVITIES						
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH		(2,869)	(3,080)	1,748	(2,869)	1,748
Opening cash and cash equivalents		6,685	5,764	4,937	6,685	4,937
CLOSING CASH AND CASH EQUIVALENTS	7	3,816	2,684	6,685	3,816	6,685

The accompanying notes form part of these financial statements.

Summary of compliance with financial directives

FOR THE YEAR ENDED 30 JUNE 2016

	2016				2015			
	RECURRENT APPROPRIATION	EXPENDITURE/NET CLAIM ON CONSOLIDATED FUND	CAPITAL APPROPRIATION	EXPENDITURE/NET CLAIM ON CONSOLIDATED FUND	RECURRENT APPROPRIATION	EXPENDITURE/NET CLAIM ON CONSOLIDATED FUND	CAPITAL APPROPRIATION	EXPENDITURE/NET CLAIM ON CONSOLIDATED FUND
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ORIGINAL BUDGET APPROPRIATION/ EXPENDITURE								
Appropriation Act	60,057	53,814	8,234	3,845	86,017	85,424	7,465	4,504
OTHER APPROPRIATION/EXPENDITURE								
Transfers to/from another entity (Per Section 32 of the Appropriation Act)	-	-	-	-	-	-	-	-
Treasurer's Advance	-	-	-	-	26,600	16,814	-	-
Total Appropriations/Expenditure/ Net Claim on Consolidated Fund (includes transfer payments)	60,057	53,814	8,234	3,845	112,617	102,238	7,465	4,504
Amount drawn down against Appropriation	-	53,362	-	3,908	-	102,832	-	3,649
Liability to Consolidated Fund	-	-	-	(63)	-	(594)	-	-

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

The "Liability to Consolidated Fund" represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure/Net Claim on Consolidated Fund".

Refer also to Note 13.

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

1. Summary of Significant Accounting Policies

a) Reporting entity

The New South Wales Electoral Commission (NSWEC) is an independent statutory authority established under the *Parliamentary Electorates and Elections Act 1912 No 41*. We conduct state elections, local council elections, NSW Aboriginal Land Councils and certain statutory elections.

With effect 1 December 2014, the NSW Electoral Commission assumed the activity previously carried out by the Election Funding Authority (refer below), and is now responsible for public funding to eligible registered political parties, candidates and independent members of Parliament.

The New South Wales Electoral Commission is a NSW Government entity. It is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The NSW Electoral Commission, as a reporting entity, comprises all the entities under its control, namely the parent entity and the New South Wales Electoral Commission Staff Agency.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

On 1 December 2014, the *Electoral and Lobbying Legislation Amendment (Electoral Commission) Act 2014* commenced. The objects of the Act were to:

- Reconstitute the NSWEC so that it is constituted by the Electoral Commissioner, a former Judge and a Member with financial and audit skills;
- Abolish the Election Funding Authority (EFA) and to confer EFA's functions to the reconstituted NSWEC; and
- Provide for a Register of Third-Party Lobbyists, a Lobbyist Watch List and a Code of Conduct for third-party and other lobbyists, and to confer the function of keeping the Register and Watch List and of enforcing compliance with the Code to the NSWEC.

These consolidated financial statements for the year ended 30 June 2016 have been authorised for issue by the Electoral Commissioner on 1 September 2016.

b) Basis of preparation

The NSW Electoral Commission's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- The requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2015; and
- The Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Plant and equipment is measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d) Administered activities

The NSW Electoral Commission administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the NSWEC's own objectives.

Transactions and balances relating to the administered activities are not recognised as the NSW Electoral Commission's revenue, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Income" and "Administered Expenses".

The accrual basis of accounting and applicable accounting standards have been adopted.

Responsibility for administered receivables are transferred to the Office of State Revenue for debt collection after 12 months.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

e) Insurance

The NSW Electoral Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

f) Accounting for the Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except that:

- The amount of GST incurred by the NSW Electoral Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

g) Revenue recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

i) Parliamentary appropriations and contributions

Except as specified below, Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the NSW Electoral Commission obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash. Appropriations are not recognised as revenue when the appropriations are unspent at year end. Unspent appropriations are recognised as liabilities rather than revenue, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability is disclosed in Note 16 as part of "Current Liabilities – Other". The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note 21 "Administered assets and liabilities".

ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the NSW Electoral Commission transfers the significant risks and rewards of ownership of the assets.

iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

h) Assets

i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the NSW Electoral Commission. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

ii) Capitalisation thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

iii) Revaluation of plant and equipment

Consistent with the "Valuation of Physical Non-Current assets at Fair Value" Policy and Guidelines Paper (TPP 14-01) the NSW Electoral Commission measures its physical non-current assets at fair value. This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment*.

Fair value of plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 10 and Note 12 for further information regarding fair value.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

iv) Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, impairment under *AASB 136 Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value, or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that *AASB 136* modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

v) Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the NSW Electoral Commission. All material separately identifiable components of assets are depreciated over their shorter useful lives.

ASSET TYPE	USEFUL LIFE
Computer Equipment	4 Years
Plant and Equipment	7 Years
Furniture and Fixtures	8 Years
Leasehold Improvements	7 Years or to the end of the lease, if shorter

vi) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

vii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

viii) Leased assets

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term. A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

No assets have been acquired under finance lease arrangements.

ix) Intangible assets

The NSW Electoral Commission recognises intangible assets only if it is probable that future economic benefits will flow to the NSWEC and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Currently, the NSW Electoral Commission's intangible assets solely comprise software.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the NSW Electoral Commission's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses. The NSW Electoral Commission's intangible assets are amortised using the straight-line method over a period of between four and eight years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

x) Inventories

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value.

xi) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

xii) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available – for – sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

xiii) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers the financial asset:

- Where substantially all the risks and rewards have been transferred; or
- Where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the entity's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

i) Liabilities

i) Payables

These amounts represent liabilities for goods and services provided to the NSW Electoral Commission and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ii) Personnel services provision and employee benefits provision

The New South Wales Electoral Commission Staff Agency provides employees to the NSW Electoral Commission entity to enable it to carry out its functions. Personnel services provision relates to employee related provisions for those employees employed by the New South Wales Electoral Commission Staff Agency.

Employee benefits provision relates to employees directly employed by the NSW Electoral Commission. Employee related provisions include:

a) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such it is required to be measured at present value in accordance with *AASB 119 Employee Benefits* (although shortcut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal annual leave approach plus the annual leave on the nominal liability (using 7.9 per cent of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The NSW Electoral Commission has assessed the actuarial advice based on the NSWEC's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

b) Long service leave and superannuation

The NSW Electoral Commission's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The NSWEC accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15-09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation, insurance premiums and fringe benefits tax.

iii) Other provisions

Other provisions exist when: the NSWEC has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted at 2.12 per cent which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

j) Fair value hierarchy

A number of the NSWEC's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the NSWEC categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the entity can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The NSW Electoral Commission recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer to Note 12 and Note 24 for further disclosures regarding fair value measurements of financial and non-financial assets.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

k) Equity and reserves

a) Accumulated Funds

The category accumulated funds includes all current and prior period retained funds.

l) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 19.

m) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. Where appropriate, comparative figures have been reclassified to conform to the basis of presentation and classification used in the current year.

n) Changes in accounting policy, including new or revised Australian Accounting Standards

i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year. The NSW Electoral Commission has adopted all of the new, revised or amending Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for current reporting year.

The adoption of these new Standards and Interpretations did not have any impact on the financial performance or position of the NSWEC.

ii) Issued but not yet effective

NSW public sector entities are not permitted to be early adopters of new Australian Accounting Standards, unless Treasury determines otherwise. A number of new Accounting Standards have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application is unlikely to be material except the possible impact of AASB 124.

The scope of AASB 124 has been extended to include NFP Public Sector. The NSW Electoral Commission will be required to apply AASB 124 prospectively from 1 July 2016. The requirements include financial statements disclosures of material transactions and outstanding balances between a reporting entity and related parties. The definition of a related party also includes close family members of individuals in related party relationships. This will have a significant impact on financial statements disclosure.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

2. Expenses Excluding Losses

a) Employee related expenses

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Salaries and wages (including annual leave)	9,578	25,317	522	415
Superannuation				
defined benefit Plan	49	88	-	-
defined contribution Plan	808	1,639	45	25
Long service leave	202	236	(32)	26
Workers' compensation insurance	18	47	1	1
Payroll tax and fringe benefits tax	555	1,760	23	23
Redundancy	475	-	-	-
	11,685	29,087	559	490

\$176,766 of employee related expenses were attributable to the development of new software and was capitalised and excluded from employee related expenses during the year ended 30 June 2016 (2015: \$364,511).

b) Personnel services expenses

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Personnel services expense	-	-	10,813	28,255

These relate to expenses for personnel services provided by the NSW Electoral Commission Staff Agency.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

c) Other operating expenses include the following*:

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Auditor's remuneration				
- audit of the financial statements – NSWEC	70	63	70	63
- audit of the financial statements – EFA	-	16	-	16
Advertising	222	3,402	222	3,402
Consultants	225	89	225	89
Contractors – Agency Staff	6,655	12,201	6,655	12,201
Contractors – Professional Services	1,577	4,660	1,577	4,660
Electricity	81	250	81	250
Facility Hire	81	1,337	81	1,337
Insurance	61	68	61	68
Internal audit	154	207	154	207
Legal fees	6	-	6	-
Low Pool Assets	-	10	-	10
Maintenance**	17	17	17	17
Operating lease rental expense				
- minimum lease payments	1,302	4,367	1,302	4,367
Provision of Services	440	1,178	440	1,178
Postage	906	2,664	906	2,664
Printing	555	4,440	555	4,440
Security	7	906	7	906
Software maintenance and licences	1,778	5,136	1,778	5,136
Stationery	365	582	365	582
Storage	713	821	713	821
Telephone	59	180	59	180
Training	155	96	155	96
Travel	95	114	95	114
Other	712	2,733	712	2,733
	16,236	45,537	16,236	45,537

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
*Included in other operating expenses are the following election expenses:				
Local Government Election	1,449	-	1,449	-
General Election	2,321	19,736	2,321	19,736
By-election	-	516	-	516
Total election expenses included in Note 2(c)	3,770	20,252	3,770	20,252

**Reconciliation – Total Maintenance

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Maintenance expense – contracted labour and others (non-employee related), as above	17	17	17	17
Total maintenance expense included in Note 2(c)	17	17	17	17

d) Depreciation and amortisation expense

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Depreciation				
Computer Hardware	682	745	682	745
Furniture, Fittings and Leasehold Improvement	172	103	172	103
Plant and Equipment	64	64	64	64
Amortisation – Software	3,378	5,142	3,378	5,142
	4,296	6,054	4,296	6,054

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

e) Other expenses

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Joint Roll Agreement (Payment to the Commonwealth) ¹	2,987	4,761	2,987	4,761
Funding of Candidates, Groups and Political Parties ²	24,287	15,119	24,287	15,119
	27,274	19,880	27,274	19,880

1. Joint Roll Agreement

An Arrangement between the Governor General of the Commonwealth and the Governor of New South Wales to provide for a joint electoral enrolment procedure was signed on 21 October 2010. The 'Exchange of Information Agreement' between the Australian Electoral Commission and the NSWEC pursuant to this arrangement was executed on the same day. This agreement sets a cost per elector rate and allows for escalation at the Sydney Consumer Price Index. The charge is payable from the NSWEC to the Australian Electoral Commission. At 30 June 2016 the amount payable per elector is \$0.815 (2015: \$0.96).

2. Funding of Candidates, Groups and Registered Political Parties

On 1 December 2014, the EFA was abolished and its functions transferred to the NSWEC (Refer to Note 1(a)). The NSWEC is now responsible for the public funding of Parliament election campaigns and the disclosure of certain political donations and electoral expenditure for parliamentary or local government campaigns. The following funds are maintained for this purpose:

Election Campaigns Fund

Candidates and registered political parties endorsing candidates for Legislative Assembly or Legislative Council elections may be eligible for payments from the Election Campaigns Fund.

The amount to be distributed from the Election Campaigns Fund is a reimbursement to a registered political party or a candidate eligible for payment in respect of a State election of the amount of the actual electoral communication expenditure incurred, on a sliding scale and subject to the applicable cap.

Administration Fund

Registered Political Parties with elected members are eligible for annual payments, on a calendar year basis, from the Administration Fund for administrative or operating expenses of the party during the year. Independent members of Parliament are also eligible for annual payments from the Fund.

An expense is not recognised until:

- An entitlement exists under legislation;
- The candidate, registered political party or group has supplied sufficient documentation supporting the claim. This documentation includes invoices or receipts relating to electoral expenditure incurred to substantiate the level of claim; and
- The NSW Electoral Commission has validated the invoices to determine if they meet the legislative requirement for payment.

Eligible registered political parties and elected members can request quarterly advance payments from the Administration Fund.

The Act requires advance payments to be made at the beginning of each relevant quarter and is equal to 50% of the registered political party's quarterly entitlement. Any payment made in accordance with this provision is recognised as an expense in the period where such payment is made.

Policy Development Fund

Registered Political Parties that are not eligible for payment from the Administration Fund may be eligible for annual payments, on a calendar year basis, from the Policy Development Fund of the amount of actual policy development expenditure incurred by or on behalf of the party during the year.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

The following expenditure has been incurred during the year:

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ADMINISTRATION FUND				
Australian Labor Party (NSW Branch)	2,619	2,222	2,619	2,222
National Party of Australia – NSW	3,094	2,158	3,094	2,158
Shooters and Fishers Party	420	372	420	372
The Greens	976	1,293	976	1,293
Country Labor Party	580	514	580	514
Liberal Party of Australia New South Wales Division	902	2,505	902	2,505
Christian Democratic Party	347	372	347	372
Animal Justice Party	162	96	162	96
Independent candidates	274	178	274	178
	9,374	9,710	9,374	9,710
ELECTION CAMPAIGNS FUND				
The Greens	1,526	58	1,526	58
Australian Labor Party (NSW Branch)	2,576	4,157	2,576	4,157
Country Labor Party	433	872	433	872
Shooters and Fishers Party	559	196	559	196
Christian Democratic Party	606	12	606	12
Animal Justice Party	4	-	4	-
Liberal Party of Australia New South Wales Division	5,288	-	5,288	-
National Party of Australia – NSW	3,272	-	3,272	-
Independent candidates	597	114	597	114
	14,861	5,409	14,861	5,409
POLICY DEVELOPMENT FUNDS				
Building Australia Party	22	-	22	-
Outdoor Recreation Party	2	-	2	-
Voluntary Euthanasia Party	2	-	2	-
Socialist Alliance Party	12	-	12	-
Australian Cyclists Party	15	-	15	-
	53	-	53	-
Total	24,288	15,119	24,288	15,119

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

3. Revenue

a) Appropriations

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
RECURRENT APPROPRIATIONS				
Total recurrent draw-downs from NSW Treasury (per Summary of Compliance)	53,362	102,832	53,362	102,832
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	(594)	-	(594)
	53,362	102,238	53,362	102,238
Comprising:				
Recurrent appropriations (per Statement of comprehensive income)	53,362	92,629	53,362	92,629
Transfer payments	-	9,609	-	9,609
Transfer to the Crown Entity	-	-	-	-
	53,362	102,238	53,362	102,238
CAPITAL APPROPRIATIONS				
Total capital draw-downs from NSW Treasury (per Summary of compliance)	3,908	3,649	3,908	3,649
Less: Liability to Consolidated Fund (per Summary of compliance)	(63)	-	(63)	-
	3,845	3,649	3,845	3,649
Comprising:				
Capital appropriations (per Statement of comprehensive income)	3,845	3,649	3,845	3,649

b) Sale of goods and services

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Sales of goods	2	-	2	-
Rendering of services	949	968	949	968
Election administration costs recovered	135	263	135	263
	1,086	1,231	1,086	1,231

c) Investment revenue

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest	-	147	-	147

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

d) Acceptance by the Crown Entity of Employee Benefits and Other Liabilities

The following liabilities and/or expenses have been assumed by the Crown Entity:

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Superannuation – defined benefit	49	88	-	-
Long service leave	261	249	-	-
Payroll tax	3	5	-	-
	313	342	-	-

e) Grants and contributions

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Department of Premier and Cabinet	-	1,370	-	1,370
	-	1,370	-	1,370

f) Other revenue

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Rendering of services – Local Government elections	3,665	-	3,665	-
	3,665	-	3,665	-

4. Loss on Disposal

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Plant and Equipment & Intangibles (Gross carrying amount)	5,990	146	5,990	146
Less: Accumulated Depreciation	(5,979)	(138)	(5,979)	(138)
Written Down Value	11	8	11	8
Less: Proceeds	-	-	-	-
Net Loss on Disposal of Plant and Equipment & Intangibles	11	8	11	8

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

5. Transfer payments

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Election Funding Authority*	-	9,609	-	9,609

*Election Funding Authority Transfer Payments

The Annual Appropriation Act provides funding to the NSW Electoral Commission which includes an amount for the public funding of an Election Campaigns Fund, Administration Fund and a Policy Development Fund. The *Election Funding and Disclosures Act 1981* had required the EFA make payment to registered political parties and candidates through a regulated claims procedure. The EFA had requested the NSWEC to make the payments on its behalf.

The EFA was abolished, effective 1 December 2014, with its functions transferred to the reconstituted NSW Electoral Commission (refer notes 1(a) and 2(e)).

6. Service Group Statement

The NSW Electoral Commission has one service group only. This service group covers the delivery of elections and related services. Details of the expenses, revenues, assets and liabilities for this service group are available in the Statement of Comprehensive Income and Statement of Financial Position. Service group statements therefore have not been prepared. Administered expenses and income are shown in Notes 22 and 23 respectively.

7. Current Assets – Cash and Cash Equivalents

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and on hand	3,816	6,685	3,816	6,685
	3,816	6,685	3,816	6,685

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and cash at bank.

Cash and cash equivalents assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash and cash equivalents (per Statement of Financial Position)	3,816	6,685	3,816	6,685
Closing cash and cash equivalents (per Statement of Cash Flows)	3,816	6,685	3,816	6,685

Refer Note 24 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

8. Current Assets – Receivables

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Sale of goods and services	50	-	50	-
Accrued income	4,075	-	4,075	-
GST recoverable from the taxation authority	451	636	451	636
Prepayments	1,182	366	1,182	366
Deposits Recoverable	27	70	27	70
Payments for Long Service Leave recoverable from New South Wales Treasury	-	5	-	5
Interest Receivables	-	76	-	76
	5,785	1,153	5,785	1,153

For the year ended 30 June 2016, there were no transactions written off as bad debts.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 24.

9. Current Assets – Inventories

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Held for resale				
Requisite Election Materials – at cost	100	134	100	134
	100	134	100	134

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

10. Non-Current Assets – Plant and Equipment Consolidated and Parent

	COMPUTER HARDWARE	FURNITURE, FITTINGS & LEASEHOLD IMPROVEMENT	PLANT AND EQUIPMENT	TOTAL
	\$'000	\$'000	\$'000	\$'000
At 1 July 2015 – fair value				
Gross carrying amount	4,735	3,196	626	8,557
Accumulated depreciation	(2,952)	(2,802)	(440)	(6,194)
Net Carrying amount	1,783	394	186	2,363
At 30 June 2016 – fair value				
Gross carrying amount	4,151	3,284	674	8,109
Accumulated depreciation	(2,685)	(2,974)	(504)	(6,163)
Net Carrying amount	1,466	310	170	1,946

Reconciliation

A reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current reporting period is set out below:

	COMPUTER HARDWARE	FURNITURE, FITTINGS & LEASEHOLD IMPROVEMENT	PLANT AND EQUIPMENT	TOTAL
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2016				
Net carrying amount at start of the year	1,783	394	186	2,363
Additions	374	88	48	510
Disposals	(11)	-	-	(11)
Depreciation expense	(680)	(172)	(64)	(916)
Net carrying amount at end of the year	1,466	310	170	1,946

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 12.

	COMPUTER HARDWARE	FURNITURE, FITTINGS & LEASEHOLD IMPROVEMENT	PLANT AND EQUIPMENT	TOTAL
	\$'000	\$'000	\$'000	\$'000
At 1 July 2014 – fair value				
Gross carrying amount	3,810	3,124	628	7,562
Accumulated depreciation	(2,316)	(2,697)	(406)	(5,419)
Net Carrying amount	1,494	427	222	2,143
At 30 June 2015 – fair value				
Gross carrying amount	4,735	3,196	626	8,557
Accumulated depreciation	(2,952)	(2,802)	(440)	(6,194)
Net Carrying amount	1,783	394	186	2,363

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

Reconciliation

A reconciliation of the carrying amounts of plant and equipment at the beginning and end of the prior reporting period is set out below:

	COMPUTER HARDWARE	FURNITURE, FITTINGS & LEASEHOLD IMPROVEMENT	PLANT AND EQUIPMENT	TOTAL
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2015 – fair value				
Net carrying amount at start of the year	1,494	427	222	2,143
Additions	1,038	70	32	1,140
Disposals	(4)	-	(4)	(8)
Depreciation expense	(745)	(103)	(64)	(912)
Net carrying amount at end of the year	1,783	394	186	2,363

11. Intangible Assets – Consolidated and Parent

	SOFTWARE	TOTAL
	\$'000	\$'000
At 1 July 2015		
Gross carrying amount	40,237	40,237
Accumulated amortisation	(28,251)	(28,251)
Net Carrying amount	11,986	11,986
At 30 June 2016		
Gross carrying amount	38,540	38,540
Accumulated amortisation	(26,599)	(26,599)
Net Carrying amount	11,941	11,941

Reconciliation

A reconciliation of the carrying amounts of intangible assets at the beginning and end of the current reporting period is set out below:

	SOFTWARE	TOTAL
	\$'000	\$'000
Year ended 30 June 2016		
Net carrying amount at start of the year	11,986	11,986
Additions	3,335	3,335
Amortisation expense	(3,380)	(3,380)
Net carrying amount at end of the year	11,941	11,941
Year ended 30 June 2015		
Net carrying amount at start of the year	13,764	13,764
Additions	3,364	3,364
Amortisation expense	(5,142)	(5,142)
Net carrying amount at end of the year	11,986	11,986

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

12. Fair value measurement of non-financial assets

a) Fair value hierarchy

	2016			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL FAIR VALUE
	\$'000	\$'000	\$'000	\$'000
PLANT AND EQUIPMENT (NOTE 10)				
Computer Hardware	-	-	-	-
Furniture, fittings & leasehold improvement	-	-	-	-
Plant and equipment	-	-	-	-
	-	-	-	-

There were no transfers between Level 1 or 2 during the period.

The NSW Electoral Commission does not have any assets that are subject to fair value measurement. Its plant and equipment assets are measured using depreciated historical cost as a surrogate for fair value

13. Restricted Assets

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Liability to Consolidated Fund	63	594	63	594

14. Current Liabilities – Payables

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Accrued salaries, wages and on-costs	10	327	-	-
Accrued personnel services	-	-	10	327
Creditors	1,902	2,314	1,902	2,314
Unearned revenue	8	218	8	218
	1,920	2,859	1,920	2,859

Accrued personnel services payable relate to the accrued cost of personnel services provided by the New South Wales Electoral Commission Staff Agency. Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 24.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

15. Current/Non-Current Liabilities – Provisions

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CURRENT				
Personnel services and employee benefits				
Annual Leave	1,263	1,246	19	62
Long Service Leave on-costs	165	220	6	28
Personnel services	-	-	1,403	1,376
Total Current Provisions	1,428	1,466	1,428	1,466
NON-CURRENT				
Long service leave on-costs (a)	14	19	-	-
Personnel services	-	-	14	19
	14	19	14	19
Other provisions				
Lease Make Good	546	535	546	535
	546	535	546	535
Total Non-Current Provisions	560	554	560	554
Aggregate personnel services, employee benefits and related on-costs				
Provisions – current	1,428	1,466	1,428	1,466
Provisions – non-current	14	19	14	19
Accrued salaries, wages and on-costs (Note 14)	10	327	-	-
Accrued personnel services (Note 14)	-	-	10	327
	1,452	1,812	1,452	1,812

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

(a) The personnel services provision and the employee benefits provision include a value of leave and on-costs expected to be taken within twelve months and after twelve months as follows:

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Short term – less than twelve months				
Annual leave	842	786	19	40
Long service leave on-costs	165	220	6	26
Personnel services	-	-	982	940
	1,007	1,006	1,007	1,006
Long term – after 12 months				
Annual leave	421	460	-	22
Long service leave on-costs	14	19	-	2
Personnel services	-	-	435	455
	435	479	435	479

Movements in other provisions (Other than Personnel services or Employee benefits)

Movements in each class of provisions during the financial year, other than employee benefits, are set out below:

	LEASE MAKE GOOD \$'000	TOTAL \$'000
Carrying amount at the beginning of financial year	535	535
Additional provisions recognised	11	11
Unwinding/change in the discount rate	-	-
Carrying amount at end of financial year	546	546

16. Current Liabilities – Other

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Liability to Consolidated Fund	63	594	63	594

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

17. Commitments for Expenditure

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CAPITAL COMMITMENTS				
Aggregate capital expenditure for the acquisition of the ICT Infrastructure and Roll Management System contracted for at balance date and not provided for:				
Not later than one year	1,410	1,595	1,410	1,595
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	1,410	1,595	1,410	1,595
OPERATING LEASE COMMITMENTS				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	1,976	2,163	1,976	2,163
Later than one year and not later than five years	2,081	3,863	2,081	3,863
Later than five years	-	-	-	-
Total (including GST)	4,057	6,026	4,057	6,026

These capital and operating lease commitments are not recognised in the financial statements as liabilities. The amount of tax recoverable from the Australian Taxation Office included within commitments is \$497,000 (2015: \$693,000).

18. Contingent Liabilities and Contingent Assets

The NSW Electoral Commission has no contingent liability as at 30 June 2016 (2015: Nil)

The NSW Electoral Commission has no contingent assets as at 30 June 2016 (2015: Nil)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

19. Budget Review

Net result

The actual net result was \$2,317,000 higher than the budgeted amount of \$452,000. Total expenses were \$10,053,000 lower than budget. This was due to lower local government election costs in 2015-16, from the reduced number of council elections to be held in September 2016, discounted payments to the Commonwealth for the joint roll agreement of \$1,276,000 reduced depreciation of \$2,637,000 and a \$755,000 saving because no by-elections were held during the year. This reduction in expenses was partially offset by a corresponding decrease in revenue from government funding for the lower local government election costs and discounted payments to the Commonwealth.

Assets and Liabilities

Total Assets are \$1,212,000 higher than the budget of \$22,376,000. This was mainly due to additional cash held for Administration Fund payments on 1 July 2016.

Total Liabilities are \$87,000 higher than the budget of \$3,884,000. This was mainly due to the liability to consolidated funds at year end of \$63,000.

Cash Flows

The actual cash balance at year end is \$1,132,000 higher than the budgeted amount of \$2,684,000, as cash was retained to cover the quarterly advance Administration Fund payments due on 1st July 2016.

20. Reconciliation of Cash Flows from Operating Activities to Net Result

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net cash from operating activities	976	6,252	976	6,252
Depreciation and amortisation	(4,296)	(6,054)	(4,296)	(6,054)
Decrease/(increase) in provisions	563	(819)	563	(819)
Increase/(decrease) in receivables and other assets	4,598	(115)	4,598	(115)
Decrease/(increase) in payables	939	(454)	939	(454)
Net gain/(loss) on disposal of plant and equipment & intangible assets	(11)	(8)	(11)	(8)
Net result	2,769	(1,198)	2,769	(1,198)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

21. Administered Assets and Liabilities

	2016 \$'000	2015 \$'000
Administered Assets:		
Receivables – Fines for failure to vote	5	19,319
Administered Liabilities:		
Payables – Fines for failure to vote	-	-
Reconciliation of Administered Assets		
Opening Balance	19,319	585
New fines issued	87	23,983
Fines written back	(6,766)	(3,736)
Fines paid	(2,140)	(1,049)
Fines referred for collection by the Office of State Revenue	(10,495)	(464)
Closing Balance	5	19,319

22. Administered Expense

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Write-back of prior year fines	(6,724)	(140)	(6,724)	(140)

23. Administered Income

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Fines for failure to vote	19	19,585	19	19,585

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

24. Financial Instruments (Parent and Consolidated)

The NSW Electoral Commission's principal financial instruments are outlined below. These financial instruments arise directly from the NSWEC's operations or are required to finance the NSWEC's operations. The NSW Electoral Commission does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The NSW Electoral Commission's main risks arising from financial instruments are outlined below, together with the NSWEC's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Electoral Commissioner has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the NSW Electoral Commission to set risk limits and controls and to monitor risks. From time to time, compliance with policies is reviewed by the Audit & Risk Committee

a) Financial instrument categories

	NOTE	CATEGORY	CARRYING AMOUNT	
			2016 \$'000	2015 \$'000
FINANCIAL ASSETS				
Class:				
Cash and cash equivalents	7	N/A	3,816	6,685
Receivables*	8	Loans and receivables (at amortised cost)	4,152	151
FINANCIAL LIABILITIES				
Class:				
Payables**	14	Financial liabilities measured at amortised cost	1,913	2,594

Notes

* Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

** Excludes statutory payables and unearned income (i.e. not within scope of AASB 7).

b) Credit Risk

Credit risk arises when there is the possibility of the NSW Electoral Commission's debtors defaulting on their contractual obligations, resulting in a financial loss to the NSWEC. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the NSW Electoral Commission, including cash and receivables. No collateral is held by the NSWEC. The NSW Electoral Commission has not granted any financial guarantees.

Credit risk associated with the NSW Electoral Commission's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Under cash management reforms introduced by NSW Treasury from 1 July 2015, interest is no longer payable on cash held in bank accounts within the Treasury Banking System.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including Letters of Demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The NSW Electoral Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due 2016: \$Nil (2015: \$Nil) represent 100 per cent of the total trade debtors.

c) Liquidity risk

Liquidity risk is the risk that the NSW Electoral Commission will be unable to meet its payment obligations when they fall due. The NSWEC continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The NSW Electoral Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12.

For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest.

The table below summarises the maturity profile of the NSW Electoral Commission's financial liabilities, together with the interest rate exposure.

			INTEREST RATE EXPOSURE			MATURITY DATES		
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	NOMINAL AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON- INTEREST BEARING	< 1 YR	1-5 YRS	> 5 YRS
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016								
Payables	-	1,913	-	-	1,913	1,913	-	-
2015								
Payables	-	2,594	-	-	2,594	2,594	-	-

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The NSW Electoral Commission has no exposure to borrowings or foreign currency risk and does not enter into commodity contracts.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

e) Interest rate risk

The NSW Electoral Commission does not have exposure to interest rate risk through interest bearing liabilities. The NSWEC does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The NSW Electoral Commission's exposure to interest rate risk is set out below:

	CARRYING AMOUNT	PROFIT	-1% EQUITY	PROFIT	1% EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
2016					
Financial assets					
Cash and cash equivalents	3,816	(38)	(38)	38	38
Receivables	4,152	-	-	-	-
Financial Liabilities					
Payables	1,913	-	-	-	-
2015					
Financial assets					
Cash and cash equivalents	6,685	(67)	(67)	67	67
Receivables	151	-	-	-	-
Financial Liabilities					
Payables	2,594	-	-	-	-

f) Fair value measurement

i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

ii) Fair value recognised in the statement of financial position

The NSW Electoral Commission does not have any financial assets at fair value recognised in the statement of financial position.

25. Events after reporting period

The NSW Electoral Commission is currently engaged in a restructuring program. This program is expected to be completed in 2017. There is no expense impact apart from redundancy.

There are no other events subsequent to balance date which affect the financial statements.

END OF AUDITED FINANCIAL STATEMENTS.

Statement by the Electoral Commissioner



Statement by the Electoral Commissioner

Pursuant to Section 41C(1B) of the *Public Finance and Audit Act 1983*, I, to the best of my knowledge and belief state that:

(a) The accompanying financial statements of the New South Wales Electoral Commission Staff Agency have been prepared in accordance with Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, the Treasurer's Directions, and the Financial Reporting Code for NSW General Government Sector Entities;

(b) The statements exhibit a true and fair view of the financial position as at 30 June 2016 of the New South Wales Electoral Commission Staff Agency and financial performance for the year then ended; and

(c) There are no circumstances which would render any particulars included in the financial statements to be misleading or in accurate.

A handwritten signature in black ink that reads 'John Schmidt'.

John Schmidt
Electoral Commissioner
1 September 2016

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

New South Wales Electoral Commission Staff Agency

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the New South Wales Electoral Commission Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Staff Agency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Staff Agency in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services.

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

Independent Auditor's Report

The Electoral Commissioner's Responsibility for the Financial Statements

The Electoral Commissioner is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Electoral Commissioner determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Electoral Commissioner must assess the Staff Agency's ability to continue as a going concern unless the Staff Agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Staff Agency carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Margaret Crawford
Auditor-General of NSW

5 September 2016
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2016

		ACTUAL	ACTUAL
	NOTES	2016 \$'000	2015 \$'000
EXPENSES EXCLUDING LOSSES			
Salaries and wages (including recreation leave)		9,056	24,902
Long service leave		234	210
Superannuation – defined benefit plan		49	88
Superannuation – defined contribution plan		763	1,614
Workers' compensation insurance		17	46
Payroll tax and fringe benefits tax		532	1,737
Redundancy		475	-
Total Expenses excluding losses		11,126	28,597
REVENUE			
Acceptance by the Crown Entity of employee benefits and other liabilities	2(a)	313	342
Personnel services revenue	2(b)	10,813	28,255
Total Revenue		11,126	28,597
Net Result		-	-
Other comprehensive income		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	-

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	ACTUAL \$'000
Balance at 1 July 2015		-
Net Result for the Year		-
Total other comprehensive income		-
Total comprehensive income for the year		-
Balance at 30 June 2016		-
Balance at 1 July 2014		-
Net Result for the Year		-
Total other comprehensive income		-
Total comprehensive income for the year		-
Balance at 30 June 2015		-

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 JUNE 2016

	NOTES	ACTUAL	
		2016 \$'000	2015 \$'000
ASSETS			
Current Assets			
Receivables	3	1,413	1,704
Total Current Assets		1,413	1,704
Non-Current Assets			
Receivables	4	14	19
Total Non-Current Assets		14	19
Total Assets		1,427	1,723
LIABILITIES			
Current Liabilities			
Payables	5	10	327
Provisions	6	1,403	1,377
Total Current Liabilities		1,413	1,704
Non-Current Liabilities			
Provisions	6	14	19
Total Non-Current Liabilities		14	19
Total Liabilities		1,427	1,723
Net Assets		-	-
EQUITY			
Accumulated funds		-	-
Total Equity		-	-

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	ACTUAL	
		2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		-	-
Other		-	-
Total Payments		-	-
Receipts			
Personnel services		-	-
Reimbursements from the Crown Entity		-	-
Total Receipts		-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES		-	-
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH		-	-
Opening cash and cash equivalents		-	-
CLOSING CASH AND CASH EQUIVALENTS		-	-

The New South Wales Electoral Commission Staff Agency does not hold any cash or cash equivalent assets and therefore there are nil cash flows.

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

1. Summary of Significant Accounting Policies

a) Reporting entity

The New South Wales Electoral Commission Staff Agency (the Agency) is established as a division of the government service under the *Government Sector Employment Act 2013*.

The Agency is a not for profit entity as profit is not its principal objective. It is domiciled in Australia and its principal office is at 201 Kent St, Sydney.

The Agency's objective is to provide personnel services to the New South Wales Electoral Commission.

The Agency commenced operation on 1 July 2006 when it assumed responsibility for the employees and employee-related liabilities of the New South Wales Electoral Commission.

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Electoral Commissioner on 1 September 2016.

b) Basis of preparation

The Agency's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- The requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- Specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial statements do not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See Note 1(g).

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

f) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other right to future cash flows from it expire or are transferred.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

g) Payables

Payables include accrued wages, salaries and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is no certainty as the amount and timing of settlement.

A payable is recognised when a present obligation arises under the contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted. Payables are recognised initially at fair value, usually based on the transaction cost or face value. A short-term payable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial.

Subsequent measurement is at amortised cost using the effective interest method.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

h) Employee benefits and other provisions

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

i) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such it is required to be measured at present value in accordance with *AASB 119 Employee Benefits* (although shortcut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on nominal liability (using 7.9 per cent of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Agency has assessed the actuarial advice based on the Agency's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

ii) Long service leave and superannuation

The Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Agency accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15-09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation, insurance premiums and fringe benefits tax.

i) Changes in accounting policy, including new or revised Australian Accounting Standards

i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year. The Agency has adopted all of the new, revised or amending Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for current reporting year.

The adoption of these new Standards and Interpretations did not have any impact on the financial performance or position of the Agency.

ii) Issued but not yet effective

NSW public sector entities are not permitted to be early adopters of new Australian Accounting Standards, unless Treasury determines otherwise. A number of new Accounting Standards have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application is unlikely to be material except the possible impact of AASB 124.

The scope of AASB 124 has been extended to include NFP Public Sector. The NSWEC will be required to apply AASB 124 prospectively from 1 July 2016. The requirements include financial statements disclosures of material transactions and outstanding balances between a reporting entity and related parties. The definition of a related party also includes close family members of individuals in related party relationships. This will have a significant impact on financial statements disclosure.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

2. Revenues

a) Acceptance by the Crown Entity of Employee Benefits and Other Liabilities

The following liabilities and/or expenses have been assumed by the Crown Entity:

	2016 \$'000	2015 \$'000
Superannuation – defined benefit	49	88
Long service leave	261	249
Payroll tax	3	5
Total Revenues	313	342

b) Personnel services revenue

	2016 \$'000	2015 \$'000
New South Wales Electoral Commission	10,813	28,255
Total Revenues	10,813	28,255

3. Current Assets – Receivables

	2016 \$'000	2015 \$'000
New South Wales Electoral Commission	1,413	1,704
Total Current Assets	1,413	1,704

4. Non-Current Assets – Receivables

	2016 \$'000	2015 \$'000
New South Wales Electoral Commission	14	19
Total Non-Current Assets	14	19

5. Current liabilities – Payables

	2016 \$'000	2015 \$'000
Accrued salaries and wages	10	327
Total	10	327

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

6. Current/Non-Current Liabilities – Provisions

	2016 \$'000	2015 \$'000
CURRENT		
Employee benefits and related on-costs		
Annual leave	1,244	1,185
Long service leave on-costs	159	192
Total Current Provisions	1,403	1,377
NON – CURRENT		
Employee benefits and related on-costs		
Annual leave	-	-
Long service leave on-costs	14	19
Total Non – Current Provisions	14	19
Aggregate employee benefits and related on-costs		
Provisions – current	1,403	1,377
Provisions – non-current	14	19
Accrued salaries and wages (Note 5)	10	327
	1,427	1,723

a) the employee benefits provision include a value of leave and on-costs expected to be taken within twelve months and after twelve months as follows:

	2016 \$'000	2015 \$'000
Short term – less than twelve months		
Annual leave	823	747
Long service leave on-costs	159	192
	982	939
Long term – after 12 months		
Annual leave	421	438
Long service leave on-costs	14	19
	435	457

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2016

7. Financial Instruments

The Agency's principal financial instruments are outlined below. These financial instruments arise directly from the Agency's operations or are required to finance the Agency's operations. The Agency does not enter into or trade financial instruments for speculative purposes. The Agency does not use financial derivatives.

Receivables

All receivables are from the New South Wales Electoral Commission in relation to employee benefits. As such, there is no credit risk or interest risk in relation to these balances. The carrying amount approximates fair value.

Payables

These amounts represent liabilities for personnel services provided to the NSW Electoral Commission. The Agency's exposure to liquidity risk is deemed insignificant based on prior experience and current assessment of risk. The carrying amount approximates fair value.

8. Contingent Liabilities and Contingent Assets

The Agency has no contingent liability as at 30 June 2016 (2015: Nil)

The Agency has no contingent assets as at 30 June 2016 (2015: Nil)

9. Events after reporting period

There are no events subsequent to balance date which affect the financial statements.

END OF AUDITED FINANCIAL STATEMENTS.



References

This section contains the supporting material referred to in earlier sections of this Annual Report. It provides the appendices, the definition of terms used throughout the report, the list of figures provided and the index for the report.

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Appendix A

Election Program Projects

PROJECT NAME	PROJECT BUDGET \$'000
Local Government Election	50,674
Event Roll Management	1,044
Client Council Liaison	1,072
Data Management & Projections	175
Election Staffing	16,424
Financial Management	1,239
Venue Procurement	4,453
Attendance Voting	151
Counting & Results	2,364
Procedures, Forms & Instructions	811
Logistics & Supply	4,286
Media, Communications & Advertising	4,122
RO Office IT Infrastructure	1,264
Elector Enquiry Centre	1,210
Ballot Papers	1,944
Candidates	715
Event Readiness	664
IT Systems (Business Systems)	3,069
HO & Warehouse IT Infrastructure	1,426
Sydney Town Hall & Postal Voting	1,299
Program Office	2,942

Appendices continued

Appendix B

NSW Aboriginal Land Council election areas

CENTRAL

Dubbo
 Gilgandra
 Mudgee
 Narromine
 Nyngan
 Trangie
 Warren Macquarie
 Weilwan
 Wellington

MID NORTH COAST

Birpai
 Bowraville
 Bunyah
 Coffs Harbour
 Forster
 Karuah
 Kempsey
 Nambucca Heads
 Purfleet-Taree
 Stuart Island
 Thungutti
 Unkya

NORTH COAST

Baryulgil
 Birrigan Gargle
 Bogal
 Casino Boolangle
 Grafton-Ngerrie
 Gugin-Gudduba
 Jali
 Jana-Ngalee
 Jubullum
 Muli Muli
 Ngulingah
 Tweed-Byron
 Yaegl

NORTH WESTERN

Baradine
 Brewarrina
 Collarenebri
 Coonamble
 Goodooga
 Lightning Ridge
 Moree
 Mungindi
 Murrawari
 Narrabri
 Nulla Nulla
 Pilliga
 Toomelah
 Walgett
 Wee Waa
 Weilmoringle

NORTHERN

Amaroo
 Anaiwan
 Armidale
 Ashford
 Coonabarabran
 Dorriggo Plateau
 Glen Innes
 Guyra
 Moombahlene
 Nungaroo
 Red Chief
 Tamworth
 Walhallow
 Wanaruah

SOUTH COAST

Batemans Bay
 Bega
 Bodalla
 Cobowra
 Eden
 Illawarra
 Jerrinja
 Merrimans
 Mogo
 Ngambri
 Nowra
 Wagonga

SYDNEY/NEWCASTLE

Awabakal
 Bahtabah
 Biraban
 Darkinjung
 Deerubin
 Gandangara
 La Perouse
 Metropolitan
 Mindaribba
 Tharawal
 Worimi

WESTERN

Balranald
 Broken Hill
 Cobar
 Dareton
 Ivanhoe
 Menindee
 Mutawintji
 Tibooburra
 Wanaaring
 Wilcannia
 Winbar

WIRADJURI

Albury and District
 Bathurst
 Condobolin
 Cowra
 Cumeragunja
 Deniliquin
 Griffith
 Hay
 Leeton and District
 Moama
 Murrin Bridge
 Narrandera
 Onerwal
 Orange
 Peak Hill
 Pejar
 Tumut Brungle
 Wagga Wagga
 Wamba Wamba
 West Wyalong
 Young

Polling places per region

- Central 9
- Mid North Coast 19
- North Coast 16
- North-Western 19
- Northern 17
- South Coast 14
- Sydney/Newcastle 25
- Western 9
- Wiradjuri 34

Appendix C

Council Elections Administered by NSWEC

Albury City Council	Gilgandra Shire Council	Parkes Shire Council
Ballina Shire Council	Glen Innes Severn Council	Port Macquarie-Hastings Council
Balranald Shire Council	Goulburn Mulwaree Council	Richmond Valley Council
Bega Valley Shire Council	Greater Hume Shire Council	Shoalhaven City Council
Bellingen Shire Council	Griffith City Council	Singleton Council
Berrigan Shire Council	Gwydir Shire Council	Sutherland Shire Council
Blacktown City Council	Hawkesbury City Council	Council of the City of Sydney
Bland Shire Council	Hay Shire Council	Tamworth Regional Council
Blue Mountains City Council	Inverell Shire Council	Temora Shire Council
Bogan Shire Council	Junee Shire Council	Tenterfield Shire Council
Bourke Shire Council	Council of the Municipality of Kiama	Tweed Shire Council
Brewarrina Shire Council	Kyogle Council	Upper Hunter Shire Council
Broken Hill City Council	Lachlan Shire Council	Upper Lachlan Shire Council
Byron Shire Council	Leeton Shire Council	Uralla Shire Council
Camden Council	Lismore City Council	Wagga Wagga City Council
Campbelltown City Council	City of Lithgow Council	Walcha Council
Carrathool Shire Council	Liverpool City Council	Walgett Shire Council
Cessnock City Council	Liverpool Plains Shire Council	Warren Shire Council
Clarence Valley Council	Lockhart Shire Council	Warrumbungle Shire Council
Cobar Shire Council	Mid-Western Regional Council	Weddin Shire Council
Coffs Harbour City Council	Moree Plains Shire Council	Wentworth Shire Council
Coolamon Shire Council	Muswellbrook Shire Council	Wingecarribee Shire Council
Coonamble Shire Council	Nambucca Shire Council	Wollondilly Shire Council
Cowra Shire Council	Narrabri Shire Council	Yass Valley Council
Eurobodalla Shire Council	Narrandera Shire Council	
Forbes Shire Council	Narromine Shire Council	

Councils administering their own elections

Fairfield City Council	Kempsey Shire Council	Penrith City Council
Gunnedah Shire Council	Lake Macquarie City Council	

Appendices continued

Appendix D

Website usage (top 3 pages visited)

1	/home (160,571)
2	/voting/before_election_day (135,555)
3	/enrol_to_vote/am_i_enrolled (58,758)

Website usage (number of visitors)

	ELECTIONS.NSW.GOV.AU	VOTENSW.INFO
For financial year (FY15-16)	441,216	93,462
July 2015	27,265	3,731
August 2015	21,960	2,756
September 2015	25,057	2,425
October 2015	23,637	2,021
November 2015	20,910	1,326
December 2015	17,916	177
January 2016	17,638	303
February 2016	21,110	14
March 2016	28,054	2,552
April 2016	23,472	3,415
May 2016	59,727	13,559
June 2016	180,183	62,454

Please note: the voteNSW website was not online between 16-11-2015 and 14-03-2016.
The site was transitioning from the 2015 State General Election to the 2016 Local Government Elections.

Appendix E

Parties registered for NSW State Elections as at 30-06-16

PARTY NAME	DATE OF DEREGISTRATION
Animal Justice Party	
Australian Cyclists Party	
Australian Democrats (NSW Division)	15-07-2015
Australian Labor Party (NSW Branch)	
Australian Motorist Party	15-07-2015
Building Australia Party	
Christian Democratic Party (Fred Nile Group)	
Country Labor Party	
Liberal Party of Australia New South Wales Division	
National Party of Australia – NSW	
No Land Tax Campaign	15-07-2015
No Parking Meters Party	
Outdoor Recreation Party	
Shooters, Fishers and Farmers Party	
Socialist Alliance	
The Fishing Party	
The Greens	
Unity Party	15-07-2015
Voluntary Euthanasia Party (NSW)	

Appendix F

Election reports published 2015-16

- Clarence Valley Council By-election: 21 February 2015
- City of Newcastle – Ward 3 By-election: 21 February 2015
- Council of the City of Ryde – East Ward By-election: 21 February 2015
- Newcastle City Council Mayoral By-election: 15 November 2014
- Marrickville Council By-election West Ward – Burruga: 15 November 2014
- Cobar Shire Council By-election: 23 August 2014
- Urana Shire Council By-election: 23 August 2014
- Leichhardt Municipal Council By-election Birrabirragal/Balmain Ward: 2 August 2014
- Brewarrina Shire Council By-election: 21 June 2014

Appendices continued

Appendix G

Commercial Elections Conducted 2015-16

MONTH AND YEAR OF ELECTION	ORGANISATION	POSITION FOR ELECTION
July 2015	Belmont 16ft Sailing Club Ltd	Board of Directors
August 2015	Electrical Trade Union of NSW	Election of Officers, State Councillors and Delegates
August 2015	Australian Paramedics Association (NSW)	Election of Officers
August 2015	ClubsNSW – Regional State Councillors	Election of Regional State Councillors
September 2015	Cabra Vale Ex-Active Serviceman's Club	Board of Directors
September 2015	The Silverton Village Committee	Election of Committee Members
September 2015	Electrical Trades Union-Vacancy General Trades	Vacancy – State Councillor General Trades
September 2015	NSW Gun Club Ltd	Board of Directors
October 2015	ClubsNSW – Board of Directors	Board of Directors – Group 1
October 2015	TAB Agents Association NSW	Election of Office bearers & Executive Committee Members
October 2015	APESMA – Committee Of Management	Committee of Management
October 2015	Toronto Workers Club	Board of Directors
Oct 2015	Leichhardt Bowling & Recreation Club	Board of Directors
October 2015	Local Government Engineers' Association of NSW	Committee of Management
November 2015	Canada Bay Club	Board of Directors
November 2015	Board of Studies, Teaching & Educational Standards (BOSTES)	Representative Members to the Quality Teaching Council
December 2015	Pharmacy Council of NSW	Council Members
December 2015	APESMA – Committee-Remaining Vacancies	Committee of Management
December 2015	The Master Fish Merchants' Association of Australia	Committee of Management
January 2016	Bus & Coach Association of NSW Council Member	Council Members
February 2016	APESMA – Executive Officers	Board of Directors
February 2016	Bus & Coach Association of NSW Office Bearers	Election of Office Bearers
March 2016	Smithfield RSL Club (Leo McCarthy Memorial)	Board of Directors
March 2016	Cronulla Sutherland Leagues Club	Board of Directors -GROUP 1
March 2016	The Development & Environment Professionals Assoc.	Election of Officers
April 2016	Wine Grapes Marketing Board	Board Members
April 2016	NSW Independent Education Union	Election of Branch Delegates
May 2016	Rooty Hill RSL Club Ltd	Board of Directors
May 2016	Leading Age Services Australia (NSW-ACT)	Committee of Management & Office Bearers
May 2016	Five Dock RSL Community Club	Board of Directors
February 2016-July 2016	Parent & Citizens Federation of NSW 2016	Election of Councillors & Delegates

Appendix H

Parties registered for Local Government Elections as at 30-06-16

PARTY NAME	DATE OF DEREGISTRATION
Albury Citizens and Ratepayers Movement	
Australia First Party (NSW) Incorporated (Councils)	
Bob Thompson's Independent Team	
Clover Moore Independent Team	
Community First Team	
Community Service "Environment" Save Campbelltown Koalas	
Cumberland Independents*†	
Democratic Labour Party	
Eurobodalla Ratepayers Action	
Good for Manly	
Independent Community Voice	
Keep Coogee a Village	29-02-2016
Kogarah Residents' Association	
Lake Mac Independents†	
Liberal Democratic Party	
Liverpool Community Independents Team	
Lorraine Wearne Independents	
Manly Independents – Putting Residents First	
Our Local Community	
Our Sustainable Future	
Residents Action Group for Auburn Area	
Residents First Woollahra	
Residents for Mosman	
Save Tuggerah Lakes	
Serving Mosman	
Shoalhaven Independents Group	
Sydney Matters Independent Team†	
The Local Independent Party†	
The Parramatta Independents	15-07-2015
Totally Locally Committed Party	
Woodville Independents	
Your North Sydney Community Independent Team†	
Your Warringah	

*Party changed its name after being registered.

†New registrations.

Appendices continued

Appendix I

Amounts paid to political parties from the Election Campaigns Fund for electoral communication expenditure related to the 2015 State General Election

PARTY	PAYMENT TYPE	AMOUNT \$	DATE OF PAYMENT
Animal Justice Party	Payment	3824.21	9-09-2015
Australian Labor Party (NSW Branch)	Preliminary Payment	2,576,126.40	20-08-2015
Christian Democratic Party (Fred Nile Group)	Preliminary Payment	446,372.47	9-09-2015
Christian Democratic Party (Fred Nile Group)	Payment	160,401.09	18-02-2016
Christian Democratic Party (Payments directed to endorsed candidates of the party)	Payment	67,720.92	18-02-2016
Country Labor Party	Preliminary Payment	432,648.30	13-08-2015
Liberal Party of Australia New South Wales Division*	Preliminary Payment	5,288,036.20	10-09-2015
National Party of Australia – NSW	Preliminary Payment	2,159,149.60	10-09-2015
National Party of Australia – NSW	Payment	1,112,864.68	3-03-2016
Shooters, Fishers and Farmers Party	Preliminary Payment	332,523.75	21-08-2015
Shooters, Fishers and Farmers Party	Payment	226,625.85	26-10-2015
The Greens	Preliminary Payment	1,525,609.79	4-09-2015
Total		14,331,903.26	

*The NSWEC withheld further payments to the Liberal Party under the ECF due to outstanding disclosures. The issue was resolved and funds released in September 2016.

Appendix J

Amounts paid to 2015 State General Election candidates for electoral communication expenditure

CANDIDATE NAME	AMOUNT \$	DATE OF PAYMENT
Alexander Greenwich	67,788.00	13-08-2015
Arthur Rorris	36,138.75	12-11-2015
Colin Hamilton	7,840.00	1-09-2015
Cornelia Harris	7,442.46	12-11-2015
David Mailler	10,798.04	26-10-2015
Debrah Novak	3,336.92	26-10-2015
Gordon Atkins	17,914.14	1-09-2015
Gregory Piper	50,403.73	12-11-2015
Helen Dalton	33,760.00	12-11-2015
Jackie Kelly	17,088.00	26-10-2015
Jacob Cassar	1,398.46	1-09-2015
Jeffrey Johnson	14,832.00	1-09-2015
Kathleen Mackaness	6,810.97	12-11-2015
Kerry Fox	11,680.96	26-10-2015
Lee-Anne Watts	35,270.28	12-11-2015
Luke Arms	11,320.00	26-10-2015
Michael Gallagher	9,516.00	26-11-2015
Paul Funnell	4,889.50	26-10-2015
Paul Garrard	9,828.00	26-10-2015
Rohan Boehm	32,204.00	11-02-2016
Stephen Ruff	18,620.00	12-11-2015
Wallace Ashton	10,208.00	12-11-2015
Wayne Quinn	2,139.50	12-11-2015
Total	421,227.71	

Appendices continued

Appendix K

Amounts paid from the Administrative Fund to political parties and independent elected members in 2015-16 for administrative expenditure incurred in the 2015 and/or 2016 calendar years

CLAIMANT	CALENDAR YEAR	ANNUAL ENTITLEMENT	PAYMENT TYPE	AMOUNT \$	PAID
Animal Justice Party	2015		Quarterly Advance Payment Q4	80,125.00	1-10-2015
	2016	\$261,300.00	Quarterly Advance Payment Q1	32,662.50	1-01-2016
			Quarterly Advance Payment Q2	48,993.75	1-04-2016
Labor	2015		Quarterly Payment Q1	357,987.50	23-07-2015
			Quarterly Advance Payment Q4	492,232.81	1-10-2015
			Quarterly Payment Q2	178,993.75	13-11-2015
			Quarterly Payment Q3	89,496.87	17-12-2015
			Annual payment	223,742.19	29-03-2016
	2016	\$2,919,500.00	Quarterly Advance Payment Q1	364,937.50	4-01-2016
			Quarterly Advance Payment Q2	547,406.25	1-04-2016
			Quarterly Payment Q1	364,937.50	3-06-2016
Christian Democratic Party	2015		Quarterly Payment Q2	55,425.26	2-09-2015
			Quarterly Advance Payment Q4	72,393.69	1-10-2015
			Quarterly Payment Q3	29,787.37	4-01-2016
			Annual Payment	42,606.31	25-02-2016
	2016	\$468,700.00	Quarterly Advance Payment Q1	58,587.50	4-01-2016
			Quarterly Advance Payment Q2	87,881.25	1-04-2016
Country Labor	2015		Quarterly Payment Q1	79,086.41	23-07-2015
			Quarterly Advance Payment Q4	136,167.73	1-10-2015
			Quarterly Payment Q2	87,057.34	13-11-2015
			Quarterly Payment Q3	6,378.12	17-12-2015
			Annual Payment	42,732.27	29-03-2016
	2016	\$729,200.00	Quarterly Advance Payment Q1	91,150.00	4-01-2016
			Quarterly Advance Payment Q2	136,725.00	1-04-2016
Alexander Greenwich	2015	\$213,700.00	Quarterly Payment Q2	3,887.89	11-11-2015
			Annual Payment	31,013.24	7-04-2016
			Quarterly Advance Payment Q4	43,381.03	1-10-2015
	2016	\$217,800.00	Quarterly Advance Payment Q1	27,225.00	4-01-2016
			Quarterly Advance Payment Q2	40,837.50	1-04-2016
			Quarterly Payment Q1	27,211.53	26-05-2016
Liberal	2015	\$2,863,900.00	Quarterly Payment Q2	536,981.25	7-09-2015
	2016	\$2,919,500.00	Quarterly Advance Payment Q1	364,937.50	4-01-2016

CLAIMANT	CALENDAR YEAR	ANNUAL ENTITLEMENT	PAYMENT TYPE	AMOUNT \$	PAID
The Nationals	2014	\$2,800,000.00	Annual Payment	935,264.92	9-07-2015
	2015		Quarterly Advance Payment Q4	639,257.80	1-10-2015
			Quarterly Payment Q1	137,355.82	3-12-2015
			Quarterly Payment Q2	348,475.43	3-12-2015
			Quarterly Payment Q3	102,284.35	14-01-2016
			Annual Payment	51,142.22	23-06-2016
	2016	\$2,815,200.00	Quarterly Advance Payment Q1	351,900.00	4-01-2016
Quarterly Advance Payment Q2			527,850.00	1-04-2016	
Gregory Piper	2015	\$213,700.00	Quarterly Payment Q2	5,684.35	9-10-2015
			Quarterly Payment Q3	14,709.20	30-11-2015
			Annual Payment	11,471.04	15-03-2016
	2016	\$217,800.00	Quarterly Advance Payment Q1	27,225.00	4-01-2016
			Quarterly Advance Payment Q2	40,837.50	1-04-2016
Shooters, Fishers and Farmers	2015		Quarterly Payment Q1	48,072.99	5-08-2015
			Quarterly Advance Payment Q4	107,812.50	1-10-2015
			Quarterly Payment Q2	28,054.33	26-10-2015
			Quarterly Payment Q3	24,497.68	14-01-2016
			Annual	7,187.50	29-03-2016
	2016	\$468,700.00	Quarterly Advance Payment Q1	58,587.50	4-01-2016
			Quarterly Advance Payment Q2	87,881.25	1-04-2016
			Quarterly Payment Q1	58,587.50	9-06-2016
The Greens	2015		Quarterly Advance Payment Q4	293,987.50	1-10-2015
			Quarterly Payment Q1	270,170.70	13-10-2015
			Quarterly Payment Q2	53,607.30	11-11-2015
	2016	\$1,146,400.00	Quarterly Advance Payment Q1	143,300.00	4-01-2016
			Quarterly Advance Payment Q2	214,950.00	1-04-2016
			Total paid in 15-16	9,373,123.19	

Appendices continued

Appendix L

Compliance audits 2015-16

DISCLOSURE TYPE	2013-14 DISCLOSURE PERIOD	2014-15 DISCLOSURE PERIOD (INCLUDING THE ONE OFF ADDITIONAL DISCLOSURE PERIOD (ADP) PRIOR TO THE 2015 STATE ELECTION)		
	AUDITS FINALISED	AUDITS FINALISED	AUDITS COMMENCED	AUDITS TO BE STARTED
Political Party	28	37	29	15
Group of State Candidates	0	5	0	17
State Candidate	41	528	129	485
Local Government Candidate	15	0	1	41
Elected Member – Member of Parliament	53	298	8	6
Elected Member – Local Government Councillor	146	1,186	11	159
Major Political Donor	589	941	36	535
Third-Party Campaigner	1	1	0	88
Total	873	2,996	214	1346

*The audit figures also include amended declarations lodged

Appendix M

Management Committee Meeting Dates and Attendance Numbers

MEETING DATE	NUMBER OF ATTENDEES
14 July 2015	9
18 August 2015	8
22 September 2015	7
20 October 2015	9
18 November 2015	10
15 December 2015	10
28 January 2016	8
23 February 2016	9
22 March 2016	9
26 April 2016	8
24 May 2015	9
21 June 2016	9

Appendix N

Statistical information about access applications – Clause 7(d) and Schedule 2

Table A – Number of applications by type of applicant and outcome*

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICATION	REFUSE TO CONFIRM/ DENY IF INFORMATION HELD	APPLICATION WITHDRAWN
Media	0	0	1	0	0	0	0	1
Members of Parliament	0	0	1	0	0	0	0	0
Private sector business	2	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	1	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	2	0	0	0	0

*More than one decision can be made in respect of a particular access application.

Table B – Number of applications by type of application and outcome

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICATION	REFUSE TO CONFIRM/ DENY IF INFORMATION HELD	APPLICATION WITHDRAWN
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	3	0	2	2	0	0	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Appendices continued

Table C – Invalid applications

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D – Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	NUMBER OF TIMES CONSIDERATION USED*
Overriding secrecy laws	1
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Table E – Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	NUMBER OF OCCASIONS WHEN APPLICATION NOT SUCCESSFUL
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F – Timeliness

	NUMBER OF APPLICATIONS
Decided within the statutory timeframe (20 days plus any extensions)	7
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

Table G – Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	DECISION VARIED	DECISION UPHELD	TOTAL
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H – Applications for review under Part 5 of the Act (by type of applicant)

	NUMBER OF APPLICATIONS FOR REVIEW
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Appendices continued

Appendix O

Breakdown of Funding Caps: 2015 State General Election and from 29 March 2015 to 23 March 2019

PARTIES WITH MORE THAN 10 LEGISLATIVE ASSEMBLY CANDIDATES IN A GENERAL ELECTION		CAP
2015 State Election		\$100,000
29 March 2015 – 23 March 2019		\$122,900
PARTIES WITH LEGISLATIVE COUNCIL CANDIDATES IN A GENERAL ELECTION		
2015 State Election		\$1,050,000
29 March 2015 – 23 March 2019		\$1,288,500
INDEPENDENT GROUPS OF CANDIDATES IN LEGISLATIVE COUNCIL GENERAL ELECTIONS		
2015 State Election		\$1,050,000
29 March 2015 – 23 March 2019		\$1,288,500
PARTY CANDIDATES IN LEGISLATIVE ASSEMBLY GENERAL ELECTION		
2015 State Election		\$100,000
29 March 2015 – 23 March 2019		\$122,900
NON-GROUPED CANDIDATES IN LEGISLATIVE COUNCIL GENERAL ELECTION		
2015 State Election		\$150,000
29 March 2015 – 23 March 2019		\$184,200
CANDIDATES IN LEGISLATIVE ASSEMBLY BY-ELECTIONS		
29 March 2015 – 23 March 2019		\$245,600
INDEPENDENT CANDIDATES IN LEGISLATIVE ASSEMBLY GENERAL ELECTION		
2015 State Election		\$150,000
29 March 2015 – 23 March 2019		\$184,200
THIRD-PARTY CAMPAIGNERS		
2015 State Election	For a state general election: <ul style="list-style-type: none"> • \$1,050,000 if the third-party campaigner was registered prior to the commencement of the capped expenditure period for the election, or • \$525,000 if the third-party campaigner was not registered prior to the commencement of the capped expenditure period for the election, or for a by-election for the Assembly, \$20,000 	
29 March 2015 – 23 March 2019	For a state general election: <ul style="list-style-type: none"> • \$1,288,500 if the third-party campaigner was registered prior to the commencement of the capped expenditure period for the election, or • \$644,300 if the third-party campaigner was not registered prior to the commencement of the capped expenditure period for the election, or for a by-election for the Assembly, \$24,700 	

The cap for political parties and third-party campaigners is subject to an additional cap (within the overall cap) in relation to state general elections or by-elections in more than one electorate. The additional caps in relation to an electorate are as follows:

ADDITIONAL CAP FOR INDIVIDUAL LEGISLATIVE ASSEMBLY SEATS	
2015 State Election	\$50,000 in the case of a party, or \$20,000 in the case of a third-party campaigner
29 March 2015 – 23 March 2019	\$61,500 in the case of a party, or \$24,700 in the case of a third-party campaigner

For the purpose of the additional caps electoral communication expenditure is only incurred for an election in a particular electorate if the expenditure is for advertising or other material that:

- Explicitly mentions the name of the candidate in the election in that electorate or the name of the electorate; and
- Is communicated to electors in that electorate, and
- Is not mainly communicated to electors outside that electorate.

If electoral communication expenditure incurred is less than the cap, the balance cannot be transferred to any other political party or person.

The expenditure cap for a candidate or group is for electoral communication expenditure directed at the election of the candidate or group.

Appendices continued

Appendix P

Requests for Enrolment Info Data 2015-2016

DATE	WHO	STATUS	
10 July 2016	SA Family Law Barristers & Solicitors Request for search of roll for address details for service of documents to an individual	Request denied	This request was not related to electoral matters, and the information was not provided on privacy grounds
21 September 2015	NSW Police – Operation Appleby Evidentiary document of the current enrolled address of an individual to be presented in court	Request approved	
19 October 2015	Family and Community Services – Housing Residential and postal address history for two individuals	Request approved	
17 November 2016	Family and Community Services – Housing Residential and postal address history for two individuals	Request approved	
31 December 2015	The Council of the City of Botany Bay Request for roll of council area to conduct poll	Request approved	
25 February 2016	Department of Primary Industries – Water Request for enrolment history of an individual	Request Denied	Agency was advised to resubmit request quoting the appropriate legislation reference authorising access to enrolment information or a court subpoena
10 March 2016	Family and Community Services – Housing Residential and postal address history for an individual	Request approved	
17 March 2016	Family and Community Services – Housing Residential and postal address history for an individual	Request approved	
18 March 2016	Ombudsman New South Wales Residential address and contact details for an individual	Request approved	
30 March 2016	Department of Primary Industries – Water Request for enrolment history and copies of enrolment documents for an individual	Request approved	
4 April 2016	Lepouris Markakis – Solicitors Request for enrolment search of residential roll to locate an individual	Request denied	This request was not related to electoral matters, and the information was not provided on privacy grounds
26 April 2016	Private Request – Germany Request for search of roll for address details for four individuals	Request denied	This request was not related to electoral matters, and the information was not provided on privacy grounds
29 April 2016	Family and Community Services – Housing Residential and postal address history for an individual	Request approved	
5 May 2016	Blaxland Mawson and Rose – Solicitors Request for enrolment search of residential roll to locate an individual	Request denied	This request was not related to electoral matters, and the information was not provided on privacy grounds
20 June 2016	Family and Community Services – Housing Residential and postal address history for an individual	Request approved	

Glossary

NAME/TITLE	DEFINITION
Absent vote	A vote made at a polling place by an elector who is outside his/her own electoral district on election day.
Absolute majority	More than 50 per cent of the total formal vote.
Australian Electoral Commission	The organisation responsible for conducting federal elections and referenda, and for maintaining the Commonwealth electoral roll.
Ballot box	The sealed container into which electors place their completed ballot papers.
Ballot paper	The paper printed for an election, on which a voter registers his/her vote.
By-election	An election held to fill a casual vacancy, usually caused by retirement, death or resignation of the member for that district.
Candidate	A person who nominates for election to parliament or to a council.
Check count	A second count conducted on the Sunday after election day, in which the ballot papers are checked and counted again at the Returning Officer's office, to ensure accuracy of the figures from the election night count.
Community poll	Non compulsory, non-binding vote organised to gauge the views of members of an electoral district on an issue affecting the community.
Compulsory enrolment	Every person who is entitled to have his/her name placed on the electoral roll must complete an enrolment form and send it to the Australian Electoral Commission within 21 days of becoming entitled. A penalty applies for failing to enrol.
Compulsory voting	Once a person is enrolled to vote, voting is compulsory. A penalty applies for failing to vote.
Court of Disputed Returns (NSW)	A court that considers petitions over the validity of elections or returns for NSW Parliament and local government elections within NSW. The jurisdiction of the Court is exercised by the Supreme Court of New South Wales.
Declaration of Poll	An announcement made by the Returning Officer proclaiming the successful candidate elected as the Member for that district, ward or council. The Electoral Commissioner declares the poll for the Legislative Council.
Declaration vote	A vote cast by an elector whose name and address do not appear on the roll, or who has been marked off as having already voted. The ballot papers are enclosed in an envelope containing a printed declaration signed by the elector.
Declared Institution	A nursing home, hospital or similar facility appointed by the Electoral Commissioner and visited by election officials for the purpose of taking votes from residents who are unable to attend a polling place.
Deferred election	A deferred election occurs when the council is unable to conduct an election at the time of local government elections.
Election	Selection by vote of a person or persons to hold political office.
Election Funding Authority	The statutory body responsible for administering the provisions of the <i>Election Funding, Expenditure and Disclosures Act 1981</i> . It is made up of the Electoral Commissioner as Chair, a member appointed on the nomination of the Premier, and a member appointed on the nomination of the Leader of the Opposition.
Elector	A person who is entitled to vote at an election.
Electoral Commissioner	The statutory officer appointed to manage the conduct of state and other elections.
Electoral district	One of the 93 Legislative Assembly electorates.
Election Management Application	A computer software application consisting of four modules (staffing, candidates, declaration votes and results) to automate many of the routine tasks otherwise performed by election officials.
Electoral roll	The certified list of persons eligible to vote at an election. The rolls are maintained by the Australian Electoral Commission.
Electorate	The population of electors or the region in which electors live. Electorates have clearly defined boundaries which are shown on electoral district maps.
Enrolment	The act of enrolling or having one's name added to the list of electors entitled to vote.
Federal Government	At Federation in 1901, the States handed over certain powers to the central or federal government for administration on an Australia wide basis, while reserving other functions for state government responsibility.

Glossary continued

NAME/TITLE	DEFINITION
Formal vote	A ballot paper at an election or referendum, which has been correctly marked according to instructions, and contributes to the outcome of the poll.
Government	The party which wins the greatest number of seats in parliament generally forms the government.
Independent	A candidate for election to, or a member of, parliament who is not a member of a political party.
Informal vote	A ballot paper which is either left blank or is incorrectly marked. Those ballot papers are excluded from the count and therefore do not contribute to the election of a candidate.
iVote	An internet and telephone-based voting system.
Joint Roll Agreement	A bilateral agreement between the Commonwealth of Australia and the state of NSW for the maintenance and provision of a NSW electoral roll that can be used in parliamentary and council elections.
Joint Standing Committee on Electoral Matters	The Joint Standing Committee on Electoral Matters of the NSW Parliament reviews the administration and conduct of State and Local Government Elections and any other function referred to it by the Premier.
Legislative Assembly	The Lower House of Parliament in NSW. It consists of 93 members, one elected for each electoral district.
Legislative Council	The Upper House of Parliament in NSW. It has 42 members elected for an eight year term, half of whom are elected at each NSW State election.
Nomination	The process by which a person applies to become a candidate for election.
Opposition	The party or parties which do not hold sufficient seats in parliament to lead a government.
Ordinary vote	A vote recorded in the normal manner at a polling place on election day.
Parliament	The legislative body, consisting of the elected representatives of the people, which determines the laws governing the nation or state. The candidates or political party holding the majority of seats form the government.
Political party	An organised group with a common political philosophy which seeks to win and retain public office for itself and its leaders. Party organisations support or endorse candidates for elections who, if elected, usually vote as a group for their policies in parliament. The party with the greatest numbers in parliament forms the government.
Poll	An election.
Polling place	A building, such as a school, designated as a place to which voters go during an election to cast their votes.
Postal vote	Electors, who are outside their electoral district on election day, or unable to attend a polling place during polling hours, may send a vote by post. Voters must apply for a postal vote prior to election day.
Pre-poll	Electors who cannot vote on election day can apply to vote early at the office of a Returning Officer or at a pre-poll voting centre.
Recount	A second or further count of votes in an election.
Redistribution	Changes in boundaries of electoral districts to take into account population changes. The result should be that the number of electors enrolled in each district should be equal, give or take three per cent.
Referendum	Vote taken to allow electors to express their view on a particular subject or issue. Some alterations to the Constitution can only be made after approval in a referendum.
Registrar	Person who has the responsibility of maintaining electoral rolls in NSW.
Returning Officer	The election official responsible for conducting an election for a Legislative Assembly district or the Legislative Council or a council.
Roll	See electoral roll.
Scrutineer	A person appointed by a candidate to ensure that procedures and counting are undertaken in a proper manner.
SmartRoll	A data system that automatically enrolls and re-enrolls eligible electors adding their correct details to the NSW electoral roll.
Term	The length of time a parliament may sit before having to call an election. NSW has fixed four year terms.
Virtual Tally Room	Where voting figures are collected and provisional results are announced.
Vote	The process of choosing/selecting a candidate for political office.
Ward	Subdivisions of a local government area, consisting of approximately equal numbers of voters.

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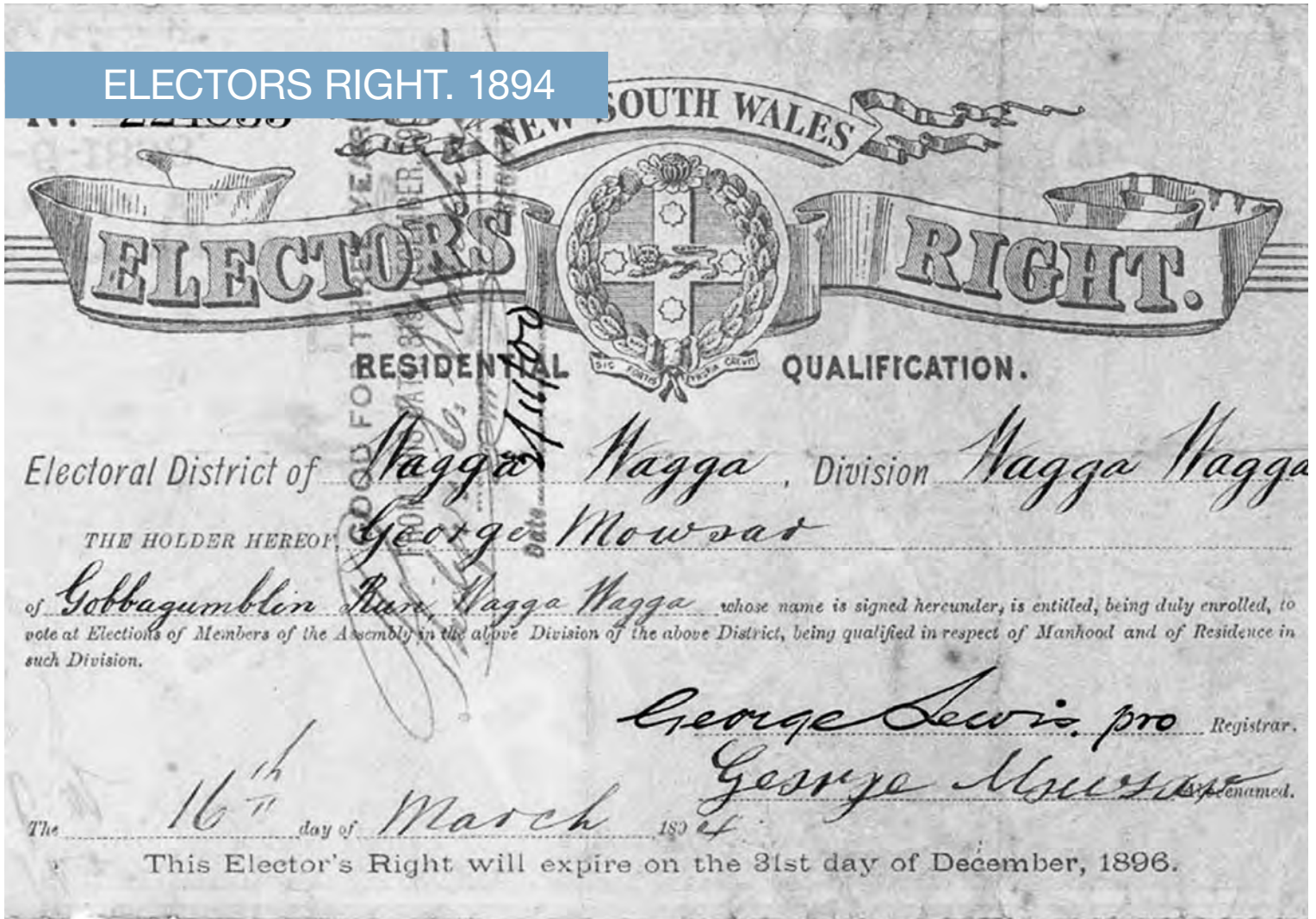
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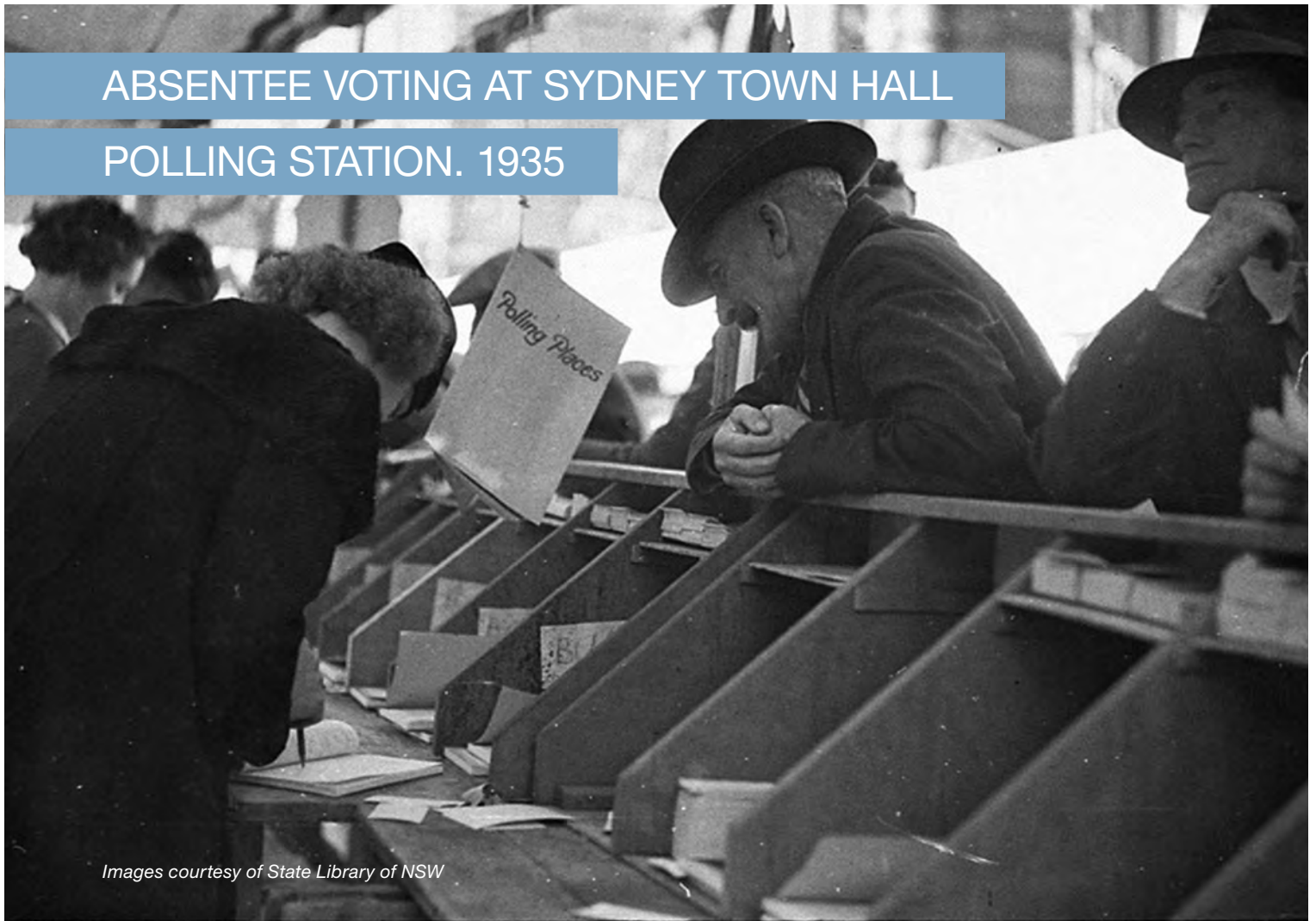
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