

New South Wales Electoral Commission

Annual Report 2012-13

The New South Wales Electoral Commission is responsible for the administration, organisation and conduct of elections in New South Wales for State Government, Local Government, Aboriginal Land Council, registered clubs, statutory bodies and industrial organisations.

Customer focus

Future Directions

iVote

Innovation

SmartRoll

Adaptation

Integrity

Collaboration

2013

31 October 2013



The Hon Barry O'Farrell MP
Premier
Level 40 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Premier

On behalf of the New South Wales Electoral Commission and the Office of the New South Wales Electoral Commission, I am pleased to submit our annual report for the financial year ended 30 June 2013.

This report is presented in accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

The major focus of our annual report is 'Our Future Directions 2013-2016', a document which was developed to guide the strategy and direction of our organisation. The report also focuses on the conduct of the 2012 Local Government Elections. In addition, other elections conducted during the year as well as the services we have provided to registered clubs, statutory boards, industrial organisations and assistance to electoral authorities, are described.

A review of our operations and activities addressing each of the five key goals in 'Our Future Directions' is presented in this report. We also address our challenges, new initiatives and the conduct of the forthcoming 2015 State General Election and 2016 Local Government Elections.

As per your Memorandum M2013-09 the annual report was produced in-house eliminating any external production costs.

Yours sincerely

Colin Barry
Electoral Commissioner

The NSW Electoral Commission (NSWEC)

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Contents

Letter of Transmittal	
Table of Contents	
About the NSW Electoral Commission	1
Our Vision, Mission and Values	2
PART 1 Executive Summary	3
The Year at a Glance	4
Executive Management Team	6
Organisational Structure	7
Electoral Commissioner's Foreword	8
Chief Financial Officer's Report	12
PART 2 Reporting Against Our Future Directions	15
GOAL 1 Foster Participation in the Democratic Process	16
GOAL 2 Be Customer Focused and Commercially Minded	20
GOAL 3 Provide Seamless Service Delivery	24
GOAL 4 Value Our People	30
GOAL 5 Innovative, Fast Adaptation	36
PART 3 Accountability and Corporate Governance	41
Accountability	42
Governance Structure	42
Risk Management	43
Legislative Matters	46
Business Operations	50
PART 4 Financial Performance	53
Financial Position	54
Audited Financial Statements – New South Wales Electoral Commission	58
Audited Financial Statements – Office of the New South Wales Electoral Commission	88
PART 5 References	97
Appendices	98
Glossary	104
Table of Figures	106
Index	107

About the NSW Electoral Commission

The **New South Wales (NSW) Electoral Commission** is an independent statutory authority established under the *Parliamentary Electorates and Elections Act 1912*.

What We Do

Our role is to conduct impartial and fair elections for the Parliament of NSW, Local Government councils, the Aboriginal Land Council and registered clubs, statutory boards and state registered industrial organisations as well as other functions that support electoral matters which include:

- Preparing the NSW electoral roll in conjunction with the Australian Electoral Commission;
- Providing administrative support to the Election Funding Authority;
- Providing advice to the Premier on issues affecting the conduct of State elections and by-elections;
- Reporting to the NSW Parliament and Joint Standing Committee on Electoral Matters; and
- Contributing to public understanding and awareness of elections and electoral matters.

Our Stakeholders

We serve the people and electors of NSW; the NSW Parliament; Premier; Minister for Local Government; local councils; registered political parties; the media; candidates and other participants at elections; registered clubs, statutory boards and industrial organisations.

Our History

The NSW Electoral Commission occupies a special position within the structure of government in New South Wales. The Commission has its roots in the development of representative government dating back to 1843 when the first election of 24 representatives to the NSW Council was conducted by the Elections Branch of the Chief Secretary's Department. The Office of Electoral Commissioner was established in 1928 under the *Parliamentary Electorates and Elections Act 1912*.

Our Mission, Vision and Values

Our **Vision, Mission** and **Values** guide the strategies of our operations and provide a foundation for the organisation's culture.

Vision

To foster a culture of integrity, respect and trust in the electoral administration that underpins the democratic process.

Mission

To deliver high quality electoral services which are impartial, effective, efficient and in accordance with the law.

Values

Our values underpin our culture, our services to stakeholders and our performance.

- 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.
- A learning culture amongst our staff to ensure we improve service delivery and remain modern, forwarding thinking and capable of meeting future challenges.

Executive Summary

1 Summary

This section provides an overview of the NSW Electoral Commission and its organisational structure. It outlines our achievements during the year under review and our future challenges. It also contains the Electoral Commissioner's Foreword and the Chief Financial Officer's Report.

Executive Summary	Page
The Year at a Glance	4
Executive Management Team	6
Organisational Structure	7
Electoral Commissioner's Foreword	8
Chief Financial Officer's Report	12

The Year at a Glance

Five key goals form the cornerstone of 'Our Future Directions'

During 2012-13 we built on the foundations that we had established in previous years. In addition, we developed 'Our Future Directions 2013-2016', a document that guided our strategy and operations during the past year and sets out a vision for the future direction of the organisation. Five key goals form the cornerstone of 'Our Future Directions' and this annual report reflects our aims, achievements and future challenges based on these goals.

1 GOAL 1 Foster Participation in the Democratic Process

Page 16

Aim: To raise awareness of the electoral process, making it easy for electors to participate in the democratic process.

Achievements

- Successful conduct of the 2012 Local Government Elections involving 136 councils out of 150 in NSW.
- Conducted five council by-elections, three State by-elections and 28 clubs, statutory boards and industrial organisation elections, and provided voting services for three inter-jurisdictional elections.
- Increased enrolment of the NSW population eligible to be on the electoral roll from 93.8% in 2012 to 94.9% in 2013 through the use of SmartRoll.
- Over 50% reduction in eligible electors missing from the electoral roll.

Future Challenges

- Ensuring that changes arising from the electoral redistribution process do not impact negatively upon electors' participation in the 2015 State General Election.
- Engaging non-voters in the 2015 State General Election.

2 GOAL 2 Be Customer Focused and Commercially Minded

Page 20

Aim: To understand our stakeholders, build excellent relationships with them and address their needs.

Achievements

- Operating within a new legislative context to provide the 2012 Local Government Elections.
- Introduction of a Service Charter for the 2012 Local Government Elections to guide the Commission's service provision.
- Positive reception and feedback from council General Managers on the Commission's performance to standards set out in the 2012 Service Charter.
- New election services tested at the Sydney Town Hall as part of the 2012 Local Government Elections.

- Positive feedback from all stakeholders and successful meeting of the great majority of the Commission's service standards for all elections.

Future Challenges

- Development and implementation of a 'futures' strategy to lead the Commission's approach to commercial and Local Government elections.
- Attracting and retaining new clients to our election service offerings.
- Preparation of stakeholder focused services for the 2015 State General Election and other elections.

3 GOAL 3 Provide Seamless Service Delivery

Page 24

Aim: To ensure that our customers, no matter who they are, can easily access our services and understand their entitlements and responsibilities.

Achievements

- Proactive and quantitative measurement of our stakeholders' views on our service provision.
- Positive feedback from all stakeholders to the Commission's conduct of the 2012 Local Government Elections.
- Provision of well utilised election services such as early voting options that were soundly planned and delivered.

Future Challenges

- Working with the NSW Parliament and the State Government to achieve sufficient flexibility in the Commission's governing legislation to meet future needs and opportunities.
- Taking into account the needs and expectations of our stakeholders as we prepare for the coming 2015 State General Election.
- Identifying and streamlining administrative processes that require improvement.

4 GOAL 4 Value Our People

Page 30

Aim: To provide an environment for our staff that facilitates learning, skill development and competent operations.

Achievements

- Development with staff of the 'Future Directions' approach of the Commission.
- Positive recognition from election staff of the resources and training provided to them as part of the 2012 Local Government Elections.
- Organisational change that better meets the more complex operating environment of the Commission.

Future Challenges

- Implementation of the Commission's Organisation Development Program.
- Review organisational policies and procedures due for renewal.
- Introduction of a program addressing key workplace training needs.
- Maintain the focus upon workplace safety and a healthy workplace culture.

5 GOAL 5 Innovative, Fast Adaptation

Page 36

Aim: To foster an environment that encourages innovative ideas and has the capacity and capability to implement them.

Achievements

- Enabling greater participation in democracy through successful harnessing of technological advances.
- Engaging the community through social media communications.
- Providing new electoral services such as internet and telephone voting.
- Establishing greater security for our information systems.
- High levels of satisfaction of electors with new, technology enhanced voting systems.

Future Challenges

- Identifying and implementing new electronic systems effectively and efficiently to streamline stakeholder interactions with the Commission.
- Increasing the use of social media to maintain and increase participation in the NSW electoral system.
- Providing fresh perspective on legislative provisions that underpin the conduct of elections in NSW.

Executive Management Team



Expertise
The Directors of the NSW Electoral Commission bring together a diverse breadth of expertise creating an efficient, innovative and progressive management team

Back row (left to right): Trevor Follett Director Finance, **Ian Brightwell** Director IT Services, **Sonja Hewison** Director Legal, **Paul Bereen** Director Enrolment, **Elizabeth Coombs** Director Performance Measurement, **Brian DeCelis** Director Funding and Disclosure. **Front row (left to right): Linda Franklin** Director Elections, **Colin Barry** Electoral Commissioner, **Greg Brandtman** Director Administration.

Linda Franklin

Director Elections

*Dip Human Resource Management;
Grad Cert Change Management*

Linda Franklin joined the NSW Electoral Commission in 2009 having completed her role as Executive Director, Planning and Operations, for the World Youth Day Co-ordination Authority. Prior to this, she worked in the Office of Protocol and Special Events in the Department of Premier and Cabinet.

Colin Barry

Electoral Commissioner

BA; BEd

Colin Barry was appointed Electoral Commissioner for New South Wales on 1 July 2004. Previously, Colin 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.

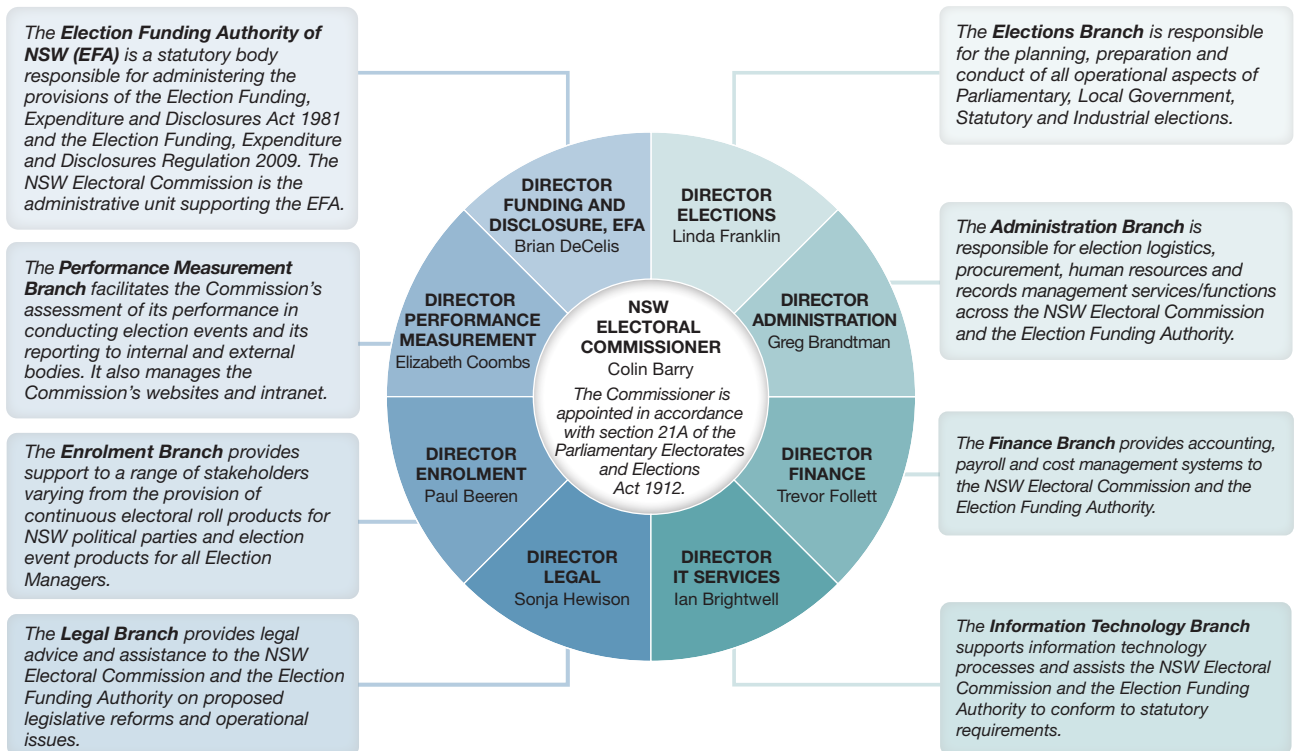
Greg Brandtman

Director Administration

BBus

Greg Brandtman joined the NSW Electoral Commission in 1990. His career in public sector management is complemented by significant experience in the election environment. He has delivered a diverse range of key projects across a number of major election events.

Organisational Structure as at 30 June 2013



Trevor Follett

Director Finance
BCA

Trevor Follett joined the NSW Electoral Commission in October 2005. Previously, he spent 20 years in the private sector and his position before joining the Commission was Finance Director for a private education business. He has also held the role of Secretary of the Election Funding Authority.

Ian Brightwell

Director IT Services
MAppSc; MEng Sc; BEng

Ian Brightwell was appointed Director IT of the NSW Electoral Commission in 2006. Before joining the Commission he also provided consulting services to a number of large organisations on issues related to IT operations and planning. Prior to his consulting work he was engaged in various roles in several NSW Government agencies.

Sonja Hewison

Director Legal
BA, LLB, Grad Dip Leg Prac.

Sonja Hewison joined the NSW Electoral Commission in 2008 after seven years with the Department of Local Government. She has significant experience in the development of electoral policy and legislation and is responsible for leading the delivery of legal services.

Paul Beeren

Director Enrolment

Before joining the NSW Electoral Commission in 2006, Paul Beeren spent over 25 years in the utilities industry in a variety of senior management, marketing and technical roles. In the last three years he has been involved with the development, introduction and implementation of the SmartRoll enrolment process.

Dr Elizabeth Coombs

Director Performance Measurement (part-time)
PhD; BA (Hons); Grad Dip Mktg Mgt; Grad Dip Company Directors

Elizabeth Coombs joined with the NSW Electoral Commission in 2007. She has held senior roles in the public sector, including Fair Trading, Department of Juvenile Justice, Department for Women and Premier's Department. She has served as Commissioner of the NSW Local Government Grants Commission.

Brian DeCelis

Director Funding and Disclosure (EFA)

Brian DeCelis has been a career public servant since joining the State Electoral Office in 1973. He has held various positions totalling over 28 years in both the State Electoral Office and the NSW Electoral Commission. This experience has included a number of years in the position of Director Elections prior to his current role as Director Funding and Disclosure for the Election Funding Authority (EFA).

Electoral Commissioner's Foreword



Building
foundations
for the
future

The Year in Review

The last 12 months have been important for the New South Wales Electoral Commission not only in terms of 'business as usual' but also because we have been building foundations for the future.

The role and functions of the Commission have changed greatly since the years when it was seen solely as a practitioner of 'the craft' of running elections. Today, we have a wide range of responsibilities such as managing the electoral roll; supporting the Election Funding Authority with changes to electoral compliance; compliance with organisational procurement; compliance with privacy and security issues. In addition, there are many more focus areas that are detailed in this annual report.

“A changing and dynamic environment”

Our major initiative during the past year was conducting the Local Government Elections in 136 council areas in September 2012. We had been planning for this large scale event since 2011 and I am pleased to report that we performed successfully in this core business area of our operations.

For the first time, changes to the *Local Government Act 1993* gave councils the choice of conducting their own elections or using the Commission to do so. 91% of NSW councils chose the Commission to run their elections. The overall cost for running the elections was \$23.4 million – a reduction in cost from \$25.9 million which was spent on the 2008 Local Government Elections.

In conducting these elections, we managed the electoral roll for 4,776,599 electors (including the roll for areas where the councils themselves administered the election). 3,939 candidates stood for public office and nearly 3 million voters cast their votes across NSW.

“A trusted agency of integrity”

We manage the records of approximately 5 million NSW citizens and in all our operations we have to ensure that we act as a trusted agency of integrity. This is expected of us by the NSW Parliament, our stakeholders and the general public. We have led the way in increasing electoral enrolment through our SmartRoll system which uses data held by other NSW Government agencies and identifies eligible or incorrectly enrolled people. This system was extremely effective in identifying missing electors for the 2012 Local Government Elections. Overall, SmartRoll will ensure that running elections becomes increasingly cost-effective as the system is rolled out.

We have to ensure that our technology processes are sensitive and operate within a best practice security environment. For instance, we developed technology-assisted voting, iVote, which was first introduced at the 2011 State General Election and used at four by-elections to enable electors to vote over the internet or telephone. Although the system was not used for the 2012 Local Government Elections, the Commission has raised the possibility with the NSW Parliament’s Joint Standing Committee on Electoral Matters (JSC EM) that the system be used at the 2016 Local Government Elections.

On the financial front, savings of \$1.1 million were made against the annual budget of \$45 million in operating costs. This was a satisfactory performance in light of the activities required to be carried out during the year.

Organisational Realignment

Since 2011, the Commission has been working steadily to set new goals at a higher level for itself. The past year gave us a great opportunity to ask ourselves: “How are we going to operate in the future?” In the 21st century, we have to exploit the use of information technology and planning systems to operate in an event environment.

During the first quarter of 2013, the Senior Executive of the NSW Electoral Commission and the Election Funding Authority participated in a series of workshops and the outcome was the development of a future direction and vision for the organisation. These have been set out in a document entitled ‘*Our Future Directions 2013-2016*’. In the course of this exercise, we worked on aligning the

organisation, thereby enabling it to adapt to changing community demands for electoral services and the use of new technology in the delivery of elections.

As an outcome of this forward planning, we have taken the opportunity to realign the organisation to do its business even more effectively than it has done in the past.

We have refocused the structure of the organisation and its people. In so doing, we ensured that our management has the skill sets and expertise to manage budgets, planning and project management. In addition, we also have the ability to bring in casual and temporary resources for periods when they are needed.

We have changed the organisational profile and now have less permanent staff. However, the staff we have are more highly skilled to manage in a changing dynamic environment. We have devolved more financial responsibility to the Directors of various branches so that they manage their overall business activities focusing on budgets and their information technology environments and also reporting against the targets that have been set.

\$23.4
MILLION

Overall cost of conducting the 2012 Local Government Elections.

\$2.5
MILLION

Reduction in the cost between the 2008 and 2012 Local Government Elections.

136
COUNCILS

Number of councils in NSW (out of 150 councils) for which elections were conducted.

Electoral Commissioner’s Foreword

continued

Challenges and Opportunities

The use of technology will have a many-faceted impact on the voting public as will online enrolment verification. This is a necessary part of moving our organisation forward and with it comes the opportunity to serve our clients to the best of our ability.

The NSW Parliament has recommended that Government rewrite two Acts that the Commission’s business is principally governed by. These Acts are the *Parliamentary Electorates and Elections Act 1912* and the *Election Funding, Expenditure and Disclosures Act 1981*. These Acts have set the vision for and work of the Commission over the

In the future, we will put into place initiatives that will enable us to be more economical in how we provide polling services interstate and overseas. In earlier years, if Australians were living interstate or overseas, they could go into a consulate or an embassy in order to cast their vote. Times have changed and these official offices, understandably, cannot meet the needs of all our electors who are overseas during an election. The development of iVote will simplify matters and enable people who are travelling to vote from any place or from any device which has an internet connection. This will empower thousands of citizens who are not in the State during an election and open the door even further to our democratic system.

“We are transitioning into a new operating environment”

years. Parliament has now recommended they be rewritten and modernised and the NSW Government has committed to the use of iVote in the 2015 State General Election.

In June 2013, the Electoral Districts Commissioners gave notice of a proposal to alter the boundaries of electoral districts in New South Wales. According to State legislation, a redistribution is required after every two State General Elections to ensure a fair electoral system and representation of the electorate.

The new boundaries will come into effect at the March 2015 State General Election and final redistribution will bring with it a raft of estimates about voter turnouts and other issues.

This, in itself, will be a challenge but we now have spatial and geo-spatial information to help us with our estimates and better manage our budgets. We are confident that the work we are doing will ensure that our roll management systems will facilitate the enrolment of NSW voters within the new boundaries.

We cannot do our job of running elections without our Returning Officers and other staff who work in all the polling places. We will exploit modern technology in order to train them via the internet, YouTube and other mediums. In turn, this will render a better service to the electorate.

In the coming year, we will also respond to the new direction from the NSW Public Service Commission and institute a framework for performance management. It will enable our managers and staff to plan, contribute to and measure their work. It will give them opportunities for recognition, training, upgrading and productivity. It will also give them cause for celebrating their successes.

<p>3 MILLION</p>	<p>Nearly 3 million voters cast their vote in the 2012 Local Government Elections.</p>
<p>4.7 MILLION +</p>	<p>4,776,599 electors on the roll were eligible to vote in the 2012 Local Government Elections.</p>
<p>3,939 CANDIDATES</p>	<p>Stood for public office in the 2012 Local Government Elections.</p>

“We will serve our key stakeholders and the community at an even higher level”

Achievements

We have continued our participation and commitment to the Electoral Regulation Research Network (ERRN). This body was established in 2012 with the aim of fostering exchange and discussion amongst academics, electoral commissions and other interested groups on research relating to electoral regulation. We are proud to be joint sponsors of this network alongside the Victorian Electoral Commission and the Melbourne University Law School. During the past year, academics, politicians, electoral commissioners and other interested groups have been brought together to discuss contemporary issues relating to good government. This body has attracted international speakers and promotes greater public policy debate and awareness of issues such as funding, redistribution, internet voting and electoral regulation in general.

In June 2013, the Commission's 2011-12 Annual Report won a Silver Award at the Australasian Reporting Awards, the third such award in three years. The award recognises our ongoing attempts to provide appropriate disclosure of key aspects of our core operations and comply with current legislative and regulatory requirements.

The Future

The most significant occurrence in the next few years is going to be a major change in the way electors vote and the options available to them. Technology-assisted voting can significantly enable participation and we are hopeful that the iVote system we have developed will become a feature of all the elections that we oversee in the future.

We have nearly 5 million people on the electoral roll in NSW and by June 2014 we estimate that 600,000 people will move address at least once every year. By augmenting the SmartRoll system, we will further assist in facilitating enrolment of our State's voters.

A fundamental shift in our culture is how we deal with Local Government councils. In the past, the NSW Electoral Commission conducted all local council elections. The decision by the NSW Government in 2011 to allow councils to run their own elections presented the Commission with a unique opportunity to market our services to prospective council clients.

Our staff now have to operate in a far more commercial environment than before. They have to provide local councils with a viable alternative to conducting elections themselves and have to deliver high-quality service standards against which their performance can be measured. During the next round of Local Government Elections in 2016, we will enter into new service contracts which will necessitate commercial marketing of our services in a more modern dynamic environment.

I am confident that we are transitioning effectively into a new operating environment for electoral services and that we will serve our key stakeholders and the communities at an even higher level than in the past.

I acknowledge the work and contribution of our dedicated staff during the past year. Looking forward, our organisation is well placed to meet the challenges of a changing electoral environment and we are committed to delivering superior, more efficient services and support to all our stakeholders in the years ahead.



Colin Barry
Electoral Commissioner
30 June 2013

Chief Financial Officer's Report



Informed decisions on allocation of resources

Overview of 2012-13

The major event for the New South Wales Electoral Commission during the financial year of 2012-13 was to conduct the September 2012 Local Government Elections. The Commission found itself in a competitive environment for delivery of election services following legislative amendment that enabled councils to conduct their own elections, should they wish to do so. Of the 150 councils in New South Wales, 136 requested the Commission to conduct their elections. Whilst this represented 91% of councils, unfortunately, it did not represent 91% of the electors. The loss of elections for some of the large councils reduced the number of electors supported to 78% of the State's electors. Correspondingly, this had an impact on the economies of scale for delivering the elections. Future pricing models may need to consider an economic scale discount to larger councils and a consequential levy to smaller councils.

The total cost of conducting the 2012 Local Government Elections was \$23.4 million, delivering services to 3.6 million electors for an average cost of \$6.49 per elector. The total cost was a saving on the budgeted \$24.5 million. The 2008 cost was \$5.70 per elector and hence the 2012 elections represented a 13.8% increase for the four years since the 2008 Local Government Elections were conducted. The Commission was satisfied with this increase, given four years of inflation and some economy of scale loss. Councils were provided with detailed reports on the cost of conducting the elections.

The Commission sees itself as providing value for the services it offers, specifically as a high quality, secure and low-risk provider of election services. As a Government agency we are subject to central Government policies, which often come with a cost impost. At year end all councils except one had paid their invoices in full. This final council is subject to recovery action by the Crown Solicitor's Office.

“A secure and low-risk provider of election services”

Organisational Restructure

During the past year, the organisation underwent a restructure. The new structure is focused on engaging well skilled personnel who can take the organisation forward with innovative initiatives and services. In the restructure, ten staff members chose the voluntary redundancy on offer and left the Commission. The cost of the redundancies was \$795,000.

Revenue

Revenues at \$47.9 million were below the budget of \$52.4 million. This was largely due to lower receipts on the 2012 Local Government Elections as a result of no longer being the only provider of services. The Commission invoiced \$25.7 million to councils for the conduct of their elections. The Commission does not receive funds from the penalties paid by non-voters. Accordingly, the organisation did not receive funds from the penalties paid by electors who failed to vote at the 2012 Elections. A large portion of the Commission's revenue is provided from the NSW Government Treasury Consolidated Fund while separate appropriations are delivered for recurrent and capital works.

The Commission received funding for transfer payments on behalf of the Election Funding Authority of NSW of \$9.1 million. Additional rollover provisions of underspent prior year expenditures of \$650,000 from the General Election Fund and \$250,000 from the Election Campaign Fund on behalf of the Election Funding Authority of NSW were also received. The move by Treasury to later timing of advice on rollover approvals presents challenges with the continuity of projects.

The primary capital project undertaken was the commencement of the development of the Funding and Disclosure Management System for the Election Funding Authority. The total budget of the system is \$5 million. The late start to this project, due to tender and the State's Gateway process considerations (which act as a checkpoint to ensure that proposals are justified), has pushed the majority of the investment into the next financial year. The delivery date is expected to remain as originally proposed.

Expenditure incurred

The Commission delivered its services within the Net Cost of Service provision made by Treasury. Total expenses of \$48.3 million were under budget by \$1.7 million or 3.5%. This lower expenditure is largely attributable to lower expenditure on the Local Government Elections projects. The payments to the Commonwealth under the Joint Roll Agreement of \$4.5 million were adverse to budget by \$0.5 million. Alternative delivery models will be looked at in the coming financial year. The expenditure level includes the support costs of managing the Election Funding Authority of New South Wales.

\$25.7 MILLION	Invoiced to councils for conduct of 2012 Local Government Elections.
3.6 MILLION	Electors to whom services were delivered.
\$6.49 CENTS	Average cost per elector.
\$4.5 MILLION	Payment to the Commonwealth under the Joint Roll Agreement.

“ Services delivered within
the net cost of service
provision made by Treasury ”

Investment in Assets

The New South Wales Electoral Commission had \$22.8 million in assets as at 30 June 2013. The value of assets declined by \$3.4 million from the previous year largely as a result of collection of receivables from councils on 2012 Local Government Elections expenses. Investment in plant and equipment, as well as software systems, fell for the second year running from \$18.8 million to \$15.0 million as the rate of development slowed from prior years and dipped below the depreciation and amortisation expense.

Liabilities Due

Total liabilities reduced from \$6.8 million to \$3.8 million. This largely represented a reduction in the liability to the Treasury Consolidated Fund and a reduction in monies due to creditors, as would be expected at a June 2013 close in the four-year operating cycle of election events.

Net Equity

Net equity fell slightly from \$19.4 million to \$19.0 million largely due to the reduced rate of investment in capital assets.

Outlook 2013-14

The major activity to be undertaken during the 2013-14 financial year is the commencement of the 2015 State General Election Program. This entails the establishment of the Program Management Office to co-ordinate the multiple projects that make up the event. Additionally, investment will go into the capital projects of providing ICT infrastructure and the Funding and Disclosure Management System. Our financial systems will continue to provide excellent management information. This will ensure that well informed decisions are made on the allocation of resources to provide electors with the best services possible.

I am pleased to present the New South Wales Electoral Commission's Financial Statements for the year ended 30 June 2013 on pages 58 to 96.



Trevor Follett
Chief Financial Officer
30 June 2013

Reporting Against Our Future Directions

2

This section is structured around
'Our Future Directions 2013-2016'.

During the first quarter of 2013, senior executives of the NSW Electoral Commission and the Election Funding Authority participated in a series of workshops to develop the Future Directions of the organisation.

Five key Goals were identified in order to provide a platform to guide our strategies and plans.

The following pages report on each key Goal and include the achievements and challenges of the past financial year as well as our plans for the future.

GOAL 1 Foster Participation in the Democratic Process **Page 16**

GOAL 2 Be Customer Focused and Commercially Minded **Page 20**

GOAL 3 Provide Seamless Service Delivery **Page 24**

GOAL 4 Value Our People **Page 30**

GOAL 5 Innovative, Fast Adaptation **Page 36**

GOAL 1 – Foster Participation in the Democratic Process

Champion
the importance of
democracy
through
public education,
better processes, responsive
services and clear communication.

Overview

The NSW Electoral Commission is focused on raising awareness of the electoral process and making it easy for electors to participate in it. We strive to communicate and engage with NSW citizens about their electoral system and explore new ways of doing so, including the use of social media. We communicate issues involved in compliance and advocate for change where appropriate. By raising awareness of funding and disclosure rights, we facilitate the ability of candidates and parties to comply with their legal obligations.



What We Achieved

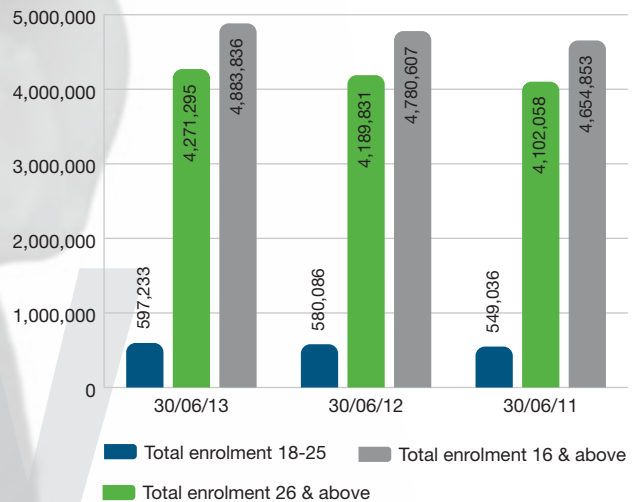
Securing Participation in Enrolment

Over the years, we have been actively communicating and engaging with NSW citizens to make them aware of the NSW electoral system and of the vital role that their participation plays in State and Local Government elections. This has included not only conventional means of communication, such as print, TV and postal communication, but also a heightened focus on social media and internet banner advertising as well as the development of our website as the principal tool of communication with our stakeholders. Social media, by its nature, targets a younger demographic and the Commission actively pursued these avenues for the September 2012 Local Government Elections.

An accurate electoral roll is essential for maintaining a healthy democratic system and for ensuring that those who are eligible to vote are able to do so. Every Australian citizen resident in NSW, who is 18 years of age or older, is required to enrol and vote at Federal, State and Local Government elections and referendums.

The following table illustrates the number of eligible NSW citizens enrolled to vote over a three-year period.

Figure 1 – Eligible NSW citizens enrolled to vote as at 30 June 2011, 2012 and 2013



GOAL 1 – Foster Participation in the Democratic Process continued

SmartRoll – Facilitating Enrolment

We continued to refine and finesse processes for our automatic enrolment and re-enrolment system – SmartRoll. Legislation now allows sourcing of enrolment information from energy companies, water utilities and universities.

The Commission is proud to have led the way nationally in increasing elector enrolment through automatic enrolment and re-enrolment. In this system, data held by other NSW government agencies is used to identify eligible but unenrolled or incorrectly enrolled people to add them to the NSW roll.

The SmartRoll system has been in operation since 2010 and has grown in scope over the years. It locates approximately 10,000 people per week who are either not enrolled or who have moved to a new address. During the 2012-13 financial year, SmartRoll enrolment processes initiated transactions with 246,546 electors.

One of the great advantages of the automatic enrolment provisions is that for each election there should be fewer electors attending a polling place by mistake when, in fact, they are enrolled elsewhere.

The Commission has a joint roll arrangement with the Australian Electoral Commission for the purposes of preparing, updating and revising rolls of electors for Federal and State elections. Under the *Local Government Act 1993*, the electoral roll for Local Government elections is also maintained by the Commission and the Australian Electoral Commission.

Prior to the establishment of SmartRoll, it was estimated that around 480,000 eligible NSW voters were missing from the electoral roll; an average of 5,160 in each electorate. Currently, due to the impact of SmartRoll, the missing figure is 222,000 or 2,390 per State district.

The Commission's target for SmartRoll is to directly enrol as many electors as we can. We have been successful in doing so, exceeding our target of 97%. In addition, we have met our target of 100% correctly coded voters' addresses.

The outcome regarding the improved enrolment participation rate can be seen in the table below:

Figure 2 – NSW Enrolment Participation Rate (18 years and over)

YEAR	NSW ENROLMENT	NSW POPULATION ELIGIBILITY	%
June 2012	4,769,917	5,085,457	93.8
June 2013	4,868,528	5,125,518	94.9

Access to the Electoral Roll

Under Division 5 of the *Parliamentary Electorates and Elections Act 1912*, the Electoral Commissioner has the authority to determine the manner and form of access to rolls and enrolment information. Appendix 1 provides details of requests for electoral information or data.

Local Government Elections – September 2012

Our major initiative during the past year was conducting Local Government Elections in 136 council areas on 8 September 2012.

At the end of July 2012, over 450,000 electors had been notified that the Commission would be making or changing their enrolment. Of this number, 140,000 were newly enrolled electors – either enrolled for the first time or removed from the roll on a past occasion. The State-wide roll was slightly under 4.8 million electors.

The Commission promoted enrolment through its advertising campaigns and other communication strategies during the election period. Advertisements were featured in press and radio in metropolitan, regional, rural areas and in Aboriginal and community language press and radio. Community languages used covered 76% of culturally and linguistically diverse language speakers.

We established an Elector Enquiry Centre to ensure that relevant, timely and specific information was available to all electors and to decrease the number of telephone enquiries made to councils. The Elector Enquiry Centre provided a 1300 number to ensure that people in non-metropolitan areas would be able to obtain information at the same call rate as metropolitan electors. The Centre was well utilised and responded to 73,334 calls.

The overall participation rate for the 2012 Local Government Elections was 82.1% compared to 83.4% in the 2008 elections. The declining rate in participation is consistent with trends in Parliamentary elections and Local Government elections in other States.

Over 580,000 Failure to Vote penalty notices were issued after the 2012 Local Government Elections, targeting 12% of eligible voters.

Figure 3 – 2004, 2008 and 2012 Local Government Elections – Engagement by Electors

	2004	2008	2012
Voter participation rate	85.2%	83.4%	82.1% (a)
Informality rate	7.0%	7.1%	7.9% (a)
Enrolment	4.3 million	4.5 million	4.8 million

(a) The figure for 2012 has been calculated for 136 elections conducted by the Commission.

In May 2013, the Commission submitted a report on the conduct of the 2012 Local Government Elections to the Joint Standing Committee on Electoral Matters (JSCEM), the Premier and the NSW Minister for Local Government. Further details of this report can be found in the Accountability and Corporate Governance section.

Local Government and State By-elections

The NSW Electoral Commission conducted a number of Local Government by-elections during the year for councils and wards as well as District by-elections. We also provided support and assistance to Inter-State Commissions by providing voting services for their absentee electors. Further information is contained in Figures 4 and 5.

Figure 4 – Local Government By-elections

COUNCIL	BY-ELECTION DATE
Leeton	8 December 2012
Cowra	23 February 2013
Bland	11 May 2013
Broken Hill	11 May 2013
Murray	11 May 2013

Figure 5 – State By-elections

DISTRICT	BY-ELECTION DATE
Heffron	25 August 2012
Sydney	27 October 2012
Northern Tablelands	25 May 2013

Elections in Other Australian Jurisdictions

The Commission provided voting services for electors out of their State on the day the election was being held. These elections are listed below:

Figure 6 – Voting Services for Interstate Electors

STATE/TERRITORY	ELECTION	ELECTION DATE
Victoria	Melbourne By-election	21 July 2012
Western Australia	State Election	9 March 2013
Victoria	Lyndhurst By-Election	27 April 2013
Tasmania	Legislative Council elections in Montgomery, Nelson & Pembroke	4 May 2013

Clubs, Statutory Boards and Industrial Elections

While the 2012 Local Government Elections were the largest elections conducted by the Commission during the reporting year, 28 elections were conducted for clubs and other bodies. The elections conducted in 2012-13 for clubs, statutory boards and industrial organisations can be found in Appendix 2.

Registration of Political Parties

Under the *Parliamentary Electorates and Elections Act 1912* and the *Local Government Act 1993*, the Commission has the responsibility to register political parties contesting both State and Local Government elections. No new State or Local Government political parties were registered in the reporting period. The political parties registered as at 30 June 2013 are listed in Appendix 3.

Looking Forward – Challenges and Opportunities

Redistribution of Electoral Boundaries

In June 2013, the Electoral Districts Commissioners gave notice of a proposal to alter the electoral districts of New South Wales. This process will be finalised after the 2012-13 financial year and will come into effect at the March 2015 State General Election. We will respond as required and implement redistribution changes in various roll management systems in preparation for this major election. We will also augment the SmartRoll initiation sources as allowed by legislation and this will further assist in facilitating enrolment of NSW voters.

Engaging with Communities

We will implement Action Plans which address the needs of citizens from regional and remote areas; people with disabilities; people from culturally and linguistically diverse backgrounds; and people from Aboriginal and Torres Strait Islander communities. Since 2010 our Action Plans have been refined based on past elections. Most significantly, we also place emphasis on face-to-face training of these communities in 'how to vote'.

We will continue to run joint training and educational initiatives for various communities together with the Australian Electoral Commission.

A program to encourage participation in the 2015 State General Election is being developed. This will be built on the foundations that we have already established and will add to the awareness programs that we have delivered over the years.

GOAL 2 – Be Customer Focused and Commercially Minded

Build better
relationships
with **clients**
and partners

by understanding their needs and wants,
and responding to them professionally.

Overview

The NSW Electoral Commission's aim is to understand our stakeholders, build excellent relationships with them and address their needs. We work collaboratively with them to identify and agree upon service range. We analyse our market and its competitive pressures. In doing so, we take into account the latest electoral administration trends and develop specific customer focused, commercially oriented services. Our ultimate goal is to become the election management service provider of choice.

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What We Achieved

A New Operating Environment

The Commission is authorised by legislation to conduct the NSW State Parliamentary elections and the Local Government elections. We are also able to conduct elections for registered clubs, the NSW Aboriginal Land Council, industrial organisations and certain statutory boards.

During the past year, we worked within a new operating environment for electoral services. The changes to the *Local Government Act 1993* gave Local Government councils the choice of conducting their own elections or using our services to do so. Appendix 4 provides details of the elections conducted by the Commission and those administered by councils.

Our existing relationships with our stakeholders provided the foundation for our new operating approach, with 91% of the 150 NSW councils required to have elections, choosing our services in September 2012.

The new environment initiated a re-look at how we have conducted our business in the past, what we delivered and what services we need to improve for the future. Previously, the commercial election service has been provided on a conservative basis where organisations have contacted the Commission and requested a proposal for the provision of election management services. To increase this client base and the revenues generated from it, the Commission now contacts prospective clients pro-actively, making them aware of our services with the aim of becoming their election management service provider of choice.

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GOAL 2 – Be Customer Focused and Commercially Minded continued

Addressing the Needs of Target Markets

As part of our drive to build stronger relationships with clients and partners, we recognise that effective communication with them and with prospective clients is essential. To this end, we developed and implemented a communications strategy to enhance and add value to our relationships with councils and our broader client base. We are now using a variety of communications mechanisms including a regular newsletter, face-to-face meetings, and contact via various electronic mediums.

We are proactively addressing the needs of our target markets and continuously improving our customer management systems. Our focus is on communicating effectively with our existing customers and prospective clients. The maintenance of appropriate information management systems is an important part of providing excellence in service delivery.

New Polling Service at Sydney Town Hall

Following amendments made to the Local Government legislation, the Commission provided a new service for electors voting in the September 2012 Local Government Elections. This service assisted electors from any part of NSW, who either work or visit the city, to vote at the Sydney Town Hall during the pre-poll period or on election day. Prior to this initiative, 'out of area' voters could only use the Town Hall polling station during State elections, not Local Government elections. The result was that many electors would come to the Sydney Town Hall during Local Government elections expecting to be able to vote but were turned away.

The new initiative saw the Commission operating Sydney Town Hall as a State-wide pre-poll venue and as a polling place on election day, issuing ordinary votes for all councils whose elections were conducted by the Commission. The opportunity to be part of the Sydney Town Hall initiative was extended to councils administering their own elections. Of these 14 councils, six accepted the offer. Each council using the facility was charged according to the number of votes taken for their council. As the City of Sydney Council provided the venue at no cost, councils' costs were confined principally to staffing costs.

It was estimated that up to 20,000 electors would vote at the Sydney Town Hall and it was anticipated that half would be out of City of Sydney council voters. This estimate was exceeded with a total of 30,561 electors using this polling centre.

Almost two-thirds (19,121) voted at the Sydney Town Hall during the pre-poll period and 11,440 on election day. There were 1,169 enrolment votes in the pre-poll period and 947 on election day.

Our Service Charter

As it had done for the 2011 State General Election, the Commission developed a Service Charter prior to the 2012 Local Government Elections that established service standards against which its performance could be measured. The following table outlines our performance in the 2012 Local Government Elections against specific targets for services provided to General Managers.

Figure 7 – 2012 Local Government Elections Service Commitments for General Managers, Targets and Results

LGE2012 SERVICE STANDARD	OUTCOME	TARGET (a)	2012 RESULT
Elections conducted impartially and fairly and in accordance with the law	✓	87.0%	97.0%
Quality of services provided by Returning Officers	✓	83.8%	87.8%
Professionalism of Returning Officers	✓	82.0%	94.0%
Accuracy of electoral roll	✓	63.1%	68.0%
Location of pre-poll venues	✓	81.1%	87.9%
Number of pre-poll venues	✓	83.2%	87.9%
Location of polling places	✓	84.2%	90.9%
Number of polling places	✓	81.0%	89.9%
Efficiency of elections	✓	>25.2%	86.7%
Satisfaction with time taken to announce results	✓	>38.2%	74.5%

Notes: (a) 'Targets' are measured by the responses from General Managers to survey questions on conduct of the 2008 Local Government Elections.

Immediately following the September 2012 Local Government Elections, General Managers were invited to take part in the Commission’s online survey. The purpose of the survey was to obtain council feedback on the performance of the Commission through the course of the election and to determine whether we had met our obligations and Service Charter. A majority of General Managers (82.5%) responded to this survey, providing a reliable source of information. The survey summary was included in the Commission’s 2012 Report on Local Government Elections to the Joint Standing Committee on Electoral Matters.

The online survey covered all key areas of election service management and these were used as a basis for discussion in further personal meetings and teleconference calls. Additional feedback was then sought, particularly on any negative responses to the survey. We also gave the councils a chance to offer ideas for improvement.

Key highlights of the online survey feedback from General Managers after the 2012 Local Government Elections were:

88.2%	Of General Managers found the Service Commitment Charter useful for understanding how the Commission would conduct the elections.
89.6%	Considered the service standards in the Charter were appropriate and 85.2% considered these standards were met.
92.0%	Considered electors were able to exercise their democratic right to vote.
80.0%	Considered votes were counted accurately and in a timely manner.
97.0%	Considered the elections were conducted impartially.

Looking Forward – Challenges and Opportunities

The new operating environment has given us an opportunity to evaluate our customer relationships, the services we offer and how we can better respond to customers’ needs. The survey, meetings and teleconferences that we conducted post the 2012 Local Government Elections were invaluable in alerting us to what we were doing well and which service areas needed improvement.

A ‘Top of Mind’ Service Provider

One of our main challenges will be to re-engage with the councils that decided not to use our election services in the past year. We will communicate regularly with all councils, including those that did not use our services in 2012. We will provide them with proposals in enough time for them to consider and include the cost in the appropriate year’s budget. In the lead-up to the 2015 decision milestone for the 2016 Local Government Elections, we will highlight the advantages of choosing us to conduct their elections. By remaining in contact with them we believe that when decisions have to be made about service providers, the Commission will be ‘top of mind’ and the services we provide will be seen as attractive, competitive, low-risk and impartial when compared to other options.

As part of our awareness campaign we will also exhibit at selected conferences and trade shows where a large number of delegates will be our key target audience. Clubs, industrial organisations and statutory boards are also key to our operations, so we will be actively engaging with current and prospective clients and proactively addressing the non-government market over the coming year.

Our 2012 survey provided positive feedback from councils on the election website. Most councils used this facility and commented on the value of being able to see how the count was progressing. We will continue to promote the website as widely as possible and to implement any suggested improvements.

We are committed to ‘closing the feedback loop’ with all our customers to demonstrate that we have listened to their concerns and ideas, and intend to act on them. Our focus is on maintaining, strengthening and developing customer relationships as they are key to the ongoing success of our organisation.

GOAL 3 – Provide Seamless Service Delivery

Provide a well-planned, cohesive **service**

based on supportive project structures, clear processes and appropriate delegation of authority and ownership.

Overview

The NSW Electoral Commission is proactively developing its focus upon service delivery. We aim to ensure that our customers, no matter who they are, can easily access our services and understand their entitlements and responsibilities. This focus is underpinned by organisational structure and new processes designed to support and serve the Commission's target markets. We aim to evaluate and prioritise innovative services that will add value to the planning for all election events. Our staff are aware of clear project and process ownership as well as accountability for deliverables. A project structure supports all that we do and our commitments to our clients were articulated in our 2012 Service Charter for Local Government Elections.



What We Achieved

The Commission's focus on establishing improved service delivery for its stakeholders saw the introduction of a Service Charter, improvements in service planning, new service initiatives and changes to the organisational structure to underpin this operational aim. Our drive during the past year has been on enabling respective customer groups to move from one stage to another: from being unregistered (not on the electoral roll); to registration on the electoral roll; to participating in the voting process. Business processes for every stage have been structured to facilitate the smooth flow from one level to the next as part of our efforts to provide seamless customer service.

GOAL 3 – Provide Seamless Service Delivery continued

Our Service Commitments

Prior to the 2012 Local Government Elections, we provided candidates and prospective candidates with a range of information services. These included:

Candidate Information Seminars

Throughout May, June and July 2012 the Commission conducted 66 information seminars across NSW for people standing for election. This was twice the number of seminars provided in 2008. Presentations at these seminars were conducted by representatives of the Commission, Election Funding Authority, Division of Local Government, NSW Department of Premier and Cabinet and, in some locations, council and the Australian Local Government Women's Association. The latter participated in some 50 seminars. In total, 1,266 people attended the information seminars.

The sessions were advertised by the Commission in newspapers, on local radio and our website.

Candidate Information Kit

The Commission developed a Candidate Information Kit to assist all candidates, especially first-time candidates, understand the election process and their obligations.

Candidate Enquiry and Help Desk

To assist candidates gather accurate and timely information on the 2012 Local Government Elections, the Commission established a dedicated Candidate Enquiry and Help Desk for the exclusive use of candidates. This was operational from 30 April 2012 and remained open for a week after the elections closed. The total number of calls answered from April to September 2012 was 2,876.

Assistance from Returning Officers

The extra assistance provided to candidates by their Returning Officers was invaluable to ensuring they had the information and guidance they required. The high regard in which Returning Officers are held by candidates and parties alike indicates that they were crucial to attaining our service commitments to candidates during the 2012 Local Government Elections. Post-election visits to Local Government councils endorsed the work that the Returning Officers had done during this event.

Measuring our Service Standards

As stated in our Report on Goal 2, the Commission developed a Service Charter prior to the 2012 Local Government Elections. This Charter established service standards against which our performance can be measured for Local Government Elections.

Figure 8 – 2012 Local Government Elections Service Commitments for Candidates and Political Parties, Targets and Results

LGE2012 SERVICE STANDARD	OUTCOME	TARGET (a)	2012 RESULT
Satisfaction with electoral services provided	✓	76.7%	82.8%
Elections conducted impartially and fairly and in accordance with the law	✗	91.4%	88.7% Candidates 76.9% Registered Political Parties (RPPs)
Information for election funding and disclosure requirements	✗	84.7%	74.2% Candidates 53.8% RPPs
Information provided by Enquiry and Help Desk	✓	80.6%	94.0%
Local count results	✗	87.5%	78.6%
Commission's website	✓	72.2%	87.9%
Confirm candidate details on website	✓	Supply capacity	87.9%
Candidate information sheets placed on website	✓	Supply capacity	90.9%
Registration of electoral material occurs within short timeframe (usually 24 hours) and reasons provided for any refusal to register electoral material	✓	Satisfaction not measured in 2008	64.9%
100% of Local Government areas complete distribution of preferences for Mayoral elections by Thursday 6pm following the election and for all councillor counts by Monday 6pm of the following week	✓	Satisfaction not measured in 2008	69.7%
For any vote recount, the difference between the count and the recount for any candidate is less than ten votes	✓	2 recounts. No change to outcomes	4 recounts. One change to outcome

Notes: (a) 'Targets' are based upon responses to survey questions on conduct of the 2008 Local Government Elections.

The Commission undertook surveys of candidates and registered political parties (RPPs) following the elections. In terms of feedback from candidates, 451 provided feedback (11.4% of total candidates in Commission administered elections). 15 of 50 registered political parties provided feedback. Although the results are not totally representative of the wider group of candidates, they nevertheless give an indication of satisfaction rates, targets that were met and service areas that should be focused on in the future.

Figure 8 outlines our performance in the 2012 Local Government Elections against specific targets for services provided to candidates and political parties.

The Commission has been clarifying the issues identified in those services where it did not meet its targets.

Feedback from Candidates

The feedback from candidates indicates that the Commission was largely successful in its objective of assisting this customer group navigate through the electoral requirements as well as the services the Commission provided.

Survey feedback from candidates indicated that 85.1% felt that the Commission had provided services that met the standards in the Service Charter.

Key highlights from the survey of candidates were:

88.7%	Were confident the elections had been conducted impartially by the Commission.
82.8%	Were satisfied with the Commission's conduct of the 2012 Local Government Elections.
85.3%	Considered they received sufficient information to explain their rights and obligations and where to get help on electoral matters if they needed it.
68.2%	Considered that the overall performance of the Returning Officer was satisfactory.
79.5%	Considered the candidate information on the Commission's website was satisfactory.

Feedback from Registered Political Parties

The responses from the registered political parties indicated the following:

53.8%	Considered the Commission met the standards in the Service Charter although 38.5% said they did not know if the standards had been met.
76.9%	Were confident the Commission had conducted the elections impartially.
75.0%	Considered the overall conduct of the elections by the Commission was satisfactory.
90.0%	Considered they received sufficient information to explain their rights and obligations and where to get help if they needed it.
100%	Of respondents indicated satisfaction with material on the Commission's website.
92.2%	Were satisfied with assistance provided by EFA or the Commission staff.
100%	Of respondents considered the Commission met its target of registering electoral material within the norm of 24 hours or provided reasons as to why material had not been registered.
75.0%	Considered the Commission met its targets for completing the local count of votes and providing the results.

GOAL 3 – Provide Seamless Service Delivery continued

Seamless Services for Electors

NSW electors are the largest stakeholder group for the Commission. In a democracy, citizens are the most significant stakeholders in the conduct of free and fair elections conducted in accordance with the law. As for other stakeholder groups, the Commission developed and communicated its service standards for the provision of services to electors. These standards essentially reflect that electors want to be able to vote at a convenient venue in the shortest time possible and to get accurate election results in a timely manner. Survey feedback on their satisfaction with the electoral services provided and the integrity of the conduct of the elections allow the Commission to plan its service provision for future elections. The service standards in place for electors for the 2012 Local Government Elections and the feedback they provided are outlined below.

Feedback from Electors

Since 2008, the Commission has sought on a structured basis the views of electors on a range of issues to provide guidance not just to itself but also to the NSW Parliament. The issues surveyed include matters relating to services provision and confidence in the electoral system.

During the reporting period, the Commission instigated surveys of electors' views of the conduct of the 2012 Local Government Elections and the iVote services provided for the by-elections in the State electoral districts of Heffron, Sydney and Northern Tablelands. The elector feedback surveys undertaken for the Local Government elections covered the elections and, specifically, the new services provided at Sydney Town Hall. The Sydney Town Hall initiatives are described in the Report on Goal 2 and the feedback from electors is outlined in the Report on Goal 5. Other findings were a high utilisation of the Sydney Town Hall polling place by people outside the City of Sydney council area.

A third (33%) of surveyed electors said they chose to vote at Sydney Town Hall because they were outside their local council area. The most common reason for choosing to vote at Sydney Town Hall was convenience to the elector's home (39%). Ratings of the Commission's provision of electoral services at Sydney Town Hall were high, with almost nine in ten (89%) agreeing that the Commission conducted the Local Government Elections fairly and impartially.

Figure 9 – 2012 Local Government Elections Service Commitments for Electors, Targets and Results

LGE2012 SERVICE STANDARD	OUTCOME	TARGET (a)	2012 RESULT
Satisfaction with election services	✓	72.2%	86.0%
Enrolment details are correct	✓	96.5%	97.0%
Satisfaction with telephone enquiry service	✓	60.0%	76.0%
Satisfaction with website	✓	56.0%	79.0%
Satisfaction with length of time taken to vote at a pre-poll venue	✓	62.0%	94.0%
Satisfaction with accessibility of pre-poll venues	✓	61.9%	84.0%
Satisfaction with length of time it took to vote on election day	✓	72.2%	92.0%
Satisfaction with manner of election officials	✓	80.7%	93.0%
Satisfaction with accessibility of polling places on election day	✓	82.5%	93.0%
Satisfaction with postal vote application process	✓	68.8%	79.0%
Satisfaction with speed of provision of results	✓	77.0%	78.0%

Notes: (a) 'Targets' are measured by the responses from electors to survey questions on conduct of the 2008 Local Government Elections.

Sound Project Planning brings Service Delivery

Working within the organisational objective of seamless service delivery to our clients and a new operating environment for electoral services, we focused our efforts on ensuring that we have staff, systems and processes in place to serve our current clients. We also focused on positioning ourselves to generate new business opportunities.

Sound project planning and management is a key element in ensuring the successful conduct of elections. The Commission's Program Management Office (PMO) provides a centralised management structure to enable effective planning and reporting processes as well as support to evaluate, justify, define, plan, track and execute projects for the effective implementation of elections.

Continuous Improvement Approach

Prior to the September 2012 Local Government Elections, a program strategy was developed to outline the overall approach for the planning and conduct of the elections. The strategy enabled the Commission to take a continuous improvement approach by building upon the knowledge and experience gained from previous election events. It also assisted us in identifying further improvements to ensure the continued availability, reliability and accuracy of data used for internal operational and external accountability purposes.

Managing the Elections

The strategy was governed by the Commission's 2012 Local Government Elections Program Board which consists of the Electoral Commissioner (as Chair), project owners and the Program Management Office. The Program Board's role is to provide direction and set priorities including program scope, objectives, budgets, costs and deliverables, and performance measures. In the year ending 30 June 2013, the Program Board met 15 times in support of the 2012 Local Government Elections and in preparation for the 2015 State General Election.

Program Strategy

The objectives of the Commission's 2012 Local Government Elections Program were met through the successful delivery of 19 individual projects that constituted the program. The strategy outlined a range of team-based projects and a project management approach needed to plan and implement the elections. This included:

- Development of a Decisions Register that logged any decision that impacts on another project or changes the scope, budget or a deadline within a project and outlines what information needs to be communicated and to whom;
- Development of program milestone reports which outlined significant events;
- Development of a Consolidated Risk Register which highlighted the top 20 election risks and was provided to the Audit and Risk Committee and the Program Board to allow for external scrutiny and relevant feedback;
- Development of project management plans which detailed team structures, resources and required skills sets needed to plan and implement the individual projects;
- A Team Leader Forum that met weekly to discuss progress and issues; and
- Development of templates such as status reports and business requirements.

Looking Forward – Challenges and Opportunities

The Commission endeavours to be a learning, developing organisation with a focus on continuous improvement. As part of this process, we are continually looking at ways to provide smarter and more efficient electoral services to all election stakeholders.

Based on the Commission's experience in conducting elections generally, and particularly the 2012 Local Government Elections, we believe that one of the critical issues is flexibility in legislation to adapt to beneficial changes in information and communication technology and greater choice in how electors can cast their votes securely and in secret.

We consider that there are a range of ways in which we can further engage electors in the democratic electoral process. This can be enhanced not only by the provision of effective services as in the 2012 Local Government Elections, but also by putting forward for consideration by the NSW Parliament innovative changes to the delivery of services. These would include services such as universal postal voting, internet and telephone voting, as well as expanding the use of braille ballot papers to incorporate electronic voting for electors with a vision impairment.

There are challenges in these proposals but we believe that, if implemented, they will also bring with them greater opportunities for all voters and further facilitate the electoral democratic process in NSW.

GOAL 4 – Value Our People

Through leadership
and respect, create an
environment
 that promotes
collaboration,
 accountability, learning and
 skill development, and
 acknowledges performance.

Overview

The NSW Electoral Commission aims to provide an environment for our staff that facilitates learning and skill development. We encourage project and process ownership, innovation and accountability. Our focus is on providing open and productive communication channels between executive management and staff. As part of our organisational culture, we recognise and acknowledge the performance of our people. In addition, the work of our temporary election staff underpins the integrity of all the elections we conduct. To this end, our recruitment and training processes ensure our staff's commitment to providing our customers with the effective and efficient services they require.



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GOAL 4 – Value Our People continued

What We Achieved

Rising to the Challenge of Competition

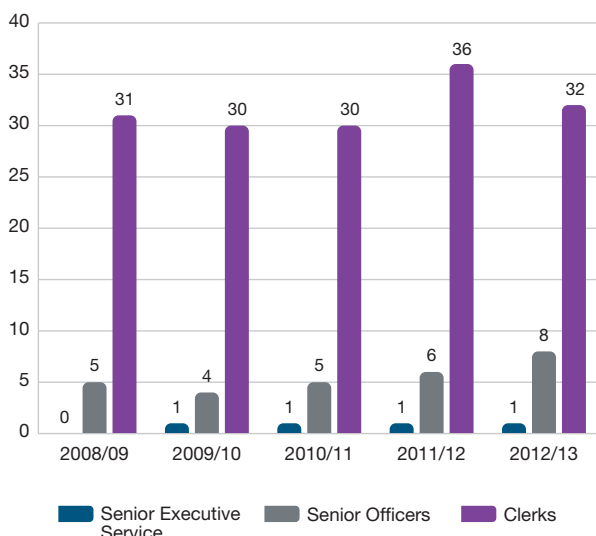
The major event affecting our staff during the past year was an organisational restructure. The aim of this review was to ensure that the Commission is an organisation with the skills and capabilities to manage its business in a changing operating environment. Due to the refocus, our organisational profile has changed. The restructure realigned the organisation’s capabilities, with new positions being created and old positions being removed if they were not applicable to our requirements. Following appropriate consultation with staff and with the Public Service Association, the new organisational structure was approved in early November 2012. Changes to some positions, together with a call for expressions of interest in voluntary redundancy, resulted in 10 officers taking a redundancy.

We recruited to key roles, including a permanent role that includes Program Management Office responsibility. This will ensure that the organisation achieves a sustainable model of best practice project management for elections.

A baseline team of in-house resources to manage application development and support services has been created, thereby decreasing the Commission’s reliance on external vendors in the future.

We now have staff with the expertise and skill sets to be able to operate in a changing environment. We also have the option of bringing in support services (temporary, contractor and casual) for projects as and when required, especially during cyclical major election events.

Figure 10 – Permanent staff – number by category over a five-year period



The Commission employed 14 temporary officers in the reporting year.

There were no exceptional movements in wages, salaries or allowances. Appendix 5 provides information on the numbers of Senior Executive Service Officers.

Driving a New Culture and Direction

During the first quarter of the 2013 calendar year, senior executives of the NSW Electoral Commission and the Election Funding Authority participated in a series of workshops to develop a vision for the future direction of the organisation.

The key drivers for this were:

- The expiry of the existing Corporate Plan;
- A requirement to review the Commission’s vision and values in light of an organisational restructure in December 2012; and
- The changing role of the Commission from being the sole provider of Local Government elections to operating within a competitive and contestable environment brought about by legislative amendment.

The outcome of the executive workshops was the development of ‘Our Future Directions 2013-2016’ – a document that provides a platform to guide strategies for ‘business as usual’ as well as election event operation. It also provides an overview of the organisation’s mission, vision, values and goals, along with high-level strategies and plans to achieve these goals in the period 2013 to 2016.

Our staff were given opportunities to provide input into the document. Initially, the executive workshops were preceded by meetings with groups of staff and individuals. Once the draft document was created by the executive team and further staff input was taken into account, the final version of ‘Our Future Directions’ was developed. Staff are informed on an ongoing basis of the new organisational direction via regular staff briefings, briefings from the Electoral Commissioner and intranet updates on progress. In addition, staff with specific responsibilities give presentations to other staff members on their projects.

Figure 11 – Trends in the Representation of EEO Groups within the Commission over a five-year period*

EEO GROUP	BENCHMARK OR TARGET %	2008-09	2009-10	2010-11	2011-12	2012-13
Women	50	50	50	49	55	59
Aboriginal people and Torres Strait Islanders	2.6	-	-	-	-	-
People whose first language is not English	19	-	-	-	-	-
People with a disability requiring work-related adjustment	1.5	-	-	-	-	-

*All categories are represented but due to the small number of staff in the organisation, it has been decided not to report on data other than the category for women so that staff are not identified individually. In addition, trends in distribution across our workforce profile have not been included due to the small size of our organisation.

Valuing Diversity

The Commission's Equal Employment Opportunity (EEO) Policy promotes and protects equality of access to employment and development opportunities, where people of diverse backgrounds and skills are able to work together in a fair and inclusive environment free of discrimination and harassment. The effectiveness of the policy requires the active commitment of all staff to the implementation of EEO principles and the strategies of the policy. As in previous years, EEO awareness information was included in staff induction programs during the year under review.

Figure 11 contains details of trends in the representation of EEO Groups.

The Commission also has an Equal Access to Democracy Plan which covers a variety of arrangements for a diversity of groups participating in the election process. The Plan reflects our acknowledgement that staff profiles at an election event should reflect their local community.

Recruitment of Temporary Election Staff

Over recent election events, the Commission has sought to maintain a pool of people who have demonstrated competency in electoral administration and a capacity to adopt new electoral practices. This pool is solely for purposes of future appointments to Returning Officer positions.

Election officials are the frontline staff in the conduct of elections with responsibility for the operational administration of electoral laws as well as policies and procedures underpinning the integrity of elections. They undertake the preparatory work for the elections and on election day manage the polling places, the issuing and counting of votes and resolving difficulties experienced by electors.

Selection and training are the keys to ensuring that electors receive good service from election officials. It is not possible for the Commission to retain election staff between elections, hence recruitment and training of election staff are major components of preparing for any election, specifically for elections of the size and importance of Local Government elections.

For the 2012 Local Government Elections the Commission employed 12,252 staff in temporary positions. Of this total figure, 10,268 (83.8%) were employed just for the election as Polling Place Managers, Deputy Polling Place Managers or polling staff.

GOAL 4 – Value Our People continued

Workplace Health and Safety

The Commission is strongly committed to providing a workplace free from harm and our Occupational Health and Safety Policy outlines the fundamentals of our health and safety program, including:

- Work health and safety training and education;
- Hazard identification;
- Emergency procedures;
- Workplace inspection;
- Incident reporting methods; and
- Consultation methods.

Risks are at their highest during peak election periods. Primarily such risks relate to the activities of election officials and the attendance of electors at polling places. In the main, injuries and risks relate to trips and falls at polling places. Claims experience and resultant premiums are a factor of the frequency and size of election events. There were five Workers Compensation claims from election officials arising from the 2012 Local Government Elections which have all been settled.

There were no work-related injuries and no claims made by permanent staff during 2012-13. Three staff members underwent First Aid Officer training during the year.

Figure 12 – NSW Electoral Commission permanent staff – injuries and claims over a five-year period

INJURIES AND CLAIMS	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Work related injuries	6	1	0	2	0
Claims	4	0	0	1	0

A Workplace Health and Safety Compliance Framework review was initiated during the year, with a report to be tabled in the next financial year.

Sick Leave

The Commission monitors individual sick leave to allow for early intervention and assistance to staff when required. During the reporting year the average absences taken by permanent staff were 6.2 days as illustrated in the following five-year graph. A small number of staff accounted for the higher level of absences.

Figure 13 – Sick Leave – average (days) absences for permanent staff over a five-year period



Consultation with Unions

In October 2012 the Public Service Association (PSA) and its Local PSA Delegate were informed by the Commission of its intention to restructure the organisation. The PSA invited all Commission staff (not just union members) to meet on the Commission’s premises to provide their feedback.

A submission was received from the PSA towards the end of October 2012 providing feedback on the structure and process. In response, the Commission agreed that the Local PSA Delegate be afforded the opportunity to review job evaluation results for new positions. Thereafter, the restructure of the organisation was finalised in December 2012.

Secondments

There were a number of internal and external secondments for permanent officers during the reporting period which provided development opportunities as follows:

- A secondment to the NSW State Parliament for twelve months;
- A secondment to the Commission’s Elections Branch for three months; and
- A secondment to the Commission’s Legal Branch for five months.

Training and Development

The Commission encourages staff to take opportunities for relevant personal development, training and up-skilling. The Commission achieved 3.29 training days per staff member. During 2012-13, our staff participated in the following:

Figure 14 – Training and Development completed by staff as at 30 June 2013

TRAINING TYPE	NUMBER
Internal courses	Total of 35 days
External courses and seminars	Total of 156 days
Ongoing on-the-job project management learning	2 projects
Study Assistance Provisions: Commerce	1 permanent officer
Study Assistance Provisions: Business – post graduate	1 permanent officer

Training of Election Staff – 2012 Local Government Elections

After the 2012 Local Government Elections, all election staff were questioned on the training and training materials they had received. The vast majority expressed a high level of satisfaction. Returning Officers' views are significant due to their role in training other categories of election staff. Overall, 90% of Returning Officers felt that their training equipped them to undertake the responsibilities. They reported very positively regarding the training materials provided to train other staff. Suggestions for improvement related to either providing more time or reducing the amount of detail to be communicated through the use of checklists for use on election day. These suggestions will be taken into account when planning for the next Local Government Elections in 2016.

Returning Officers reported strong satisfaction with support provided to them with 73.9% using the Returning Officer intranet more than once a day and 21.7% at least once a day. The Returning Officer Support Officers were reported to be heavily utilised with 41.3% contacting Returning Officers on a daily basis; 6.5% more than once a day; and 39.1% two to three times a week. The Service Charter was reported by 97.9% of Returning Officers as setting out what was expected of them and the services to be provided. 79.2% of Returning Officers reported that they were satisfied with the information they received about their role and responsibilities.

Protected Disclosures and Corruption Prevention

The *Public Interest Disclosures Act 1994* (PID) sets in place a system to encourage public officials to report serious wrongdoing. Staff are made aware of their internal reporting and protected disclosure obligations through training activities under the Commission's Code of Conduct and Corruption Prevention Strategy.

During the reporting year no public interest disclosures were made or received and no reports of suspected corrupt conduct were lodged via the internal reporting system. In addition, we undertook a Fraud Health Survey to gauge awareness of key policies, risk, detection, prevention and training gaps.

Looking Forward – Challenges and Opportunities

Our plans for the coming year include the following:

- Further development and implementation of our Performance Management System across the organisation;
- A review of our Code of Conduct and Business Ethics Statement; and
- Identification of key workplace training requirements across all our staff including training and up-skilling in specific roles and in the areas of workplace health and safety, corruption prevention and ethics.

The development of the Commission's Organisation Development Program, which will include the management of performance against key values and behaviours, will be progressively implemented starting in late 2013 and across 2014. This will be complemented by a revision of our Dignity and Respect Policy, and reinforcement of positive behaviours from our leadership group.

Our challenge for the coming year will be to lead into preparation for the next State General Election in 2015. We will do so by building on the foundations that we have laid during 2012-13. This will enable our experienced and committed staff (both permanent and temporary) to rise to the challenge of a more demanding environment and to deliver excellent services to our stakeholders.

GOAL 5 – Innovative, Fast Adaptation

Create an

environment

that

encourages

new ideas,

and provides the capacity
and support to see them through
to implementation.

Overview

The NSW Electoral Commission fosters an environment that encourages innovative ideas and has the capacity and capability to implement them. We ensure that our decision making, policy and procedures embed flexibility for change. We evaluate ideas against goals and objectives and learn from best practice trends in our industry.

new



ideas

GOAL 5 – Innovative, Fast Adaptation

continued

What We Achieved

Evolving Technology-based Environment

The reports on Goals 1 to 4 on the preceding pages have outlined innovations that the Commission has implemented in respect of better processes and services directed at electors and our customers. Innovation in electoral administration entails anticipating and addressing the needs of stakeholders within the context of the Commission’s legislative parameters and the requirement to be effective and efficient.

As an example of our initiatives, technology-assisted voting, iVote, was introduced at the 2011 State General Election and in three State by-elections thereafter. The feedback from electors has been extremely positive. Indeed, one of the comments the Commission has received about iVote is that it should be available to more electors in the community. The extension of the system to a broader range of electors and to the Local Government elections, however, requires legislative change. We have taken significant measures to secure iVote along with other systems, and during the past year we have had input on these matters from local and international experts in their fields.

In other sections of this annual report we have outlined education initiatives which will enable understanding and participation in the electoral process amongst certain communities, as well as the cost savings that we are now offering councils from improving electoral processes.

We operate in an evolving technology-based environment and our focus is on adhering to best practice processes and procedures. During the year under review we initiated an additional range of security monitoring technology on top of existing technologies to ensure the security of our systems. Based on the ISO 27000 Standard, we implemented an Information Security Management System which co-ordinated the development and maintenance of information security policies and standards across the organisation. This will enable the Commission to reduce risks and respond speedily to any incidents that may occur.

2012 Local Government Elections – Initiatives

How people communicate has changed dramatically over the last decade and Australians are major users of social media and other forms of electronic communication. While younger age groups are the greatest users of social media, individuals of all age groups now actively communicate over the internet.

To respond to these changes, the Commission introduced more innovative and direct electronic exchanges with members of the public for the 2012 Local Government Elections. We utilised digital advertising (including Facebook) for the ‘early voting’ and ‘remember to vote’ phases of our advertising campaign. Banner advertisements provided over 22.9 million impressions on major portals such as Fairfax, News Limited, Nine MSN and Yahoo. Social media was used to support the election utilising the Commission’s existing Facebook and Twitter accounts.

Approximately 90 planned Facebook posts were made during the election period with the intent of a morning and afternoon post Monday to Friday. Facebook posts were mirrored on Twitter. The first post occurred in July 2012 and the last in September 2012. Posts coincided with the phases of the election providing information and reminders linking followers to the Commission’s website. In addition to the planned posts there were numerous others in response to questions and posts from the public. This provided a more direct interaction than had previously occurred.

2012 Local Government Elections – Initiatives

90	Facebook posts mirrored on Twitter between July and September 2012.
22.9 MILLION	Impressions of banner advertisements on major portals.
68.0%	Of electors surveyed found our website easy to navigate on mobile devices.

The website remained the Commission’s major form of electronic means of providing information to its stakeholders. Recognising that many NSW citizens use smartphones, the Commission ensured that its website was ‘smart phone responsive’ to ensure that election information could be easily accessed on mobile devices. Feedback from electors in the independently conducted survey found good to high levels of satisfaction with the website. While only a small number of electors indicated that they used a mobile device to access the Commission’s website, 68% of these electors found the website easy to navigate on their mobile device.

Similarly, in response to requests from councils for speedier provision of results following the 2008 Local Government Elections, for the first time, councillor ballot papers outside the Sydney basin area were data entered directly in the Commission’s computer system at the offices of the Returning Officers. In previous elections, such as the 2008 elections, all councillor ballot papers were transported to Sydney and the data was entered centrally. The new system enabled faster election results than had been achieved in past years.

It has long been an issue that electors out of their Local Government area are unable to ‘absent vote’ as they can in Federal and State elections. To address this, the Commission provided a new service to assist electors from any part of the State who either work in or visit the city, to vote at the Sydney Town Hall during the pre-poll period or on election day. This was made possible following amendments made to Local Government legislation. The feedback survey undertaken at the Sydney Town Hall showed this initiative was well received by electors and by councils overall. A more in-depth outline of this service can be found in the Report on Goal 2.

Key findings from a survey of electors at Sydney Town Hall after the 2012 Local Government Elections were:

93.0%	Of electors were satisfied with the ease of voting.
88.0%	Considered the computerised process was better than the traditional process of marking voters off the roll.
95.0%	Of electors were satisfied with using the printed docket to collect their ballot papers.
89.0%	Supported using the new process in other polling places.

Keeping Abreast of Technology

The Commission operates in an evolving environment and has to keep abreast of technological developments and changes.

We are in the early stages of introducing the Information Security and Management System (ISMS). We have also initiated an additional range of security monitoring technology on top of already existing technologies to monitor attacks on our systems. In addition, we have maintained a high level of security patching of our systems which monitors their vulnerability.

Looking Forward – Challenges and Opportunities

There are a number of technology and legislative policy innovations that the Commission will focus on in the coming year. Amongst them will be the following:

Reform of NSW Electoral Legislation

The Joint Standing Committee on Electoral Matters’ (JSCEM) review of the *Parliamentary Electorate and Elections Act (1912)* and the *Election Funding, Expenditure and Disclosures Act (1981)* has recommended major electoral reforms. These include the repeal of the current legislation and introduction of a new Electoral Act governing both the conduct of State General Elections and regulation of campaign finances; as well as the creation of a new entity as regulator. If the Government adopts the JSCEM recommendations, the Commission will be in a position to provide input to assist in the drafting of a new Electoral Act. Reform of the electoral legislation will also provide an opportunity to introduce innovation.

Community Engagement and Electoral Roll Management

The proposed redistribution of NSW electoral boundaries will impact upon certain electoral districts. Electors in impacted districts, subject to proposed changes, will require targeted information about the changes and their application to the next State General Election to be held in March 2015. These changes, if implemented, will occur after this financial reporting period. We will examine innovative strategies that will reach electors, candidates and political parties to prepare them for the changes. The strategies will incorporate new forms of communication, such as social media, which will have the potential to assist electors to understand any redistribution that may occur.

GOAL 5 – Innovative, Fast Adaptation

continued

Technology Initiatives for Elections

The increasing use of technology is a necessary part of moving the organisation forward and will have a many-faceted impact on the voting public.

During the coming year and in preparation for the State General Election in 2015, the Commission will focus on:

- The utilisation of new forms of communication particularly in relation to younger electors;
- Planning of new processes and enhancements to associated systems and applications. This will enable implementation in time for the 2015 State General Election;
- Centralisation of declaration vote processing and establishment of Legislative Assembly data entry of ballot papers instead of a manual count after election night;

- The use of mobile devices in polling places to assist with identifying electors' enrolment addresses and hence appropriate electoral districts, as well as provision of online forms for Polling Place Managers; and
- Development of the Funding and Disclosure Management System which will see the current system used by the Funding and Disclosure Branch in the Election Funding Authority changed from a transaction focus to a client focus.

The above initiatives will ensure that we deliver appropriate and best practice services to electors, candidates, political parties and our clients in a changing electoral environment.

Accountability and Corporate Governance

3

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

Accountability	Page
NSW Joint Standing Committee on Electoral Matters of the NSW Parliament	42
Governance Structure	Page
Electoral Commissioner	42
Management Committee and Internal Committees	42
External Committees	42
Risk Management	Page
Audit and Risk Committee	43
Internal Audit and Risk Management Policy Attestation	44
External Audit	45
Insurance Arrangements	45
Legislative Matters	Page
Legislative Amendments	46
Compliance Privacy Legislation	46
Access to Government Information	46
Business Operations	Page
Procurement Processes	50
Information and Records	50
Sustainability and Waste Management	50
Plans, Policies and Procedures	51
2012 Local Government Elections	51
Feedback and Complaints	52

Accountability and Corporate Governance

Accountability

NSW Joint Standing Committee on Electoral Matters of the NSW Parliament

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 functions referred by the Premier. During the year the Commission co-ordinated the preparation of the Electoral Commissioner's submission to the Joint Standing Committee on Electoral Matters' review of the *Parliamentary Electorates and Elections Act 1912* and the *Election Funding, Expenditure and Disclosures Act 1981*.

The Commission provides reports to the Committee on our performance in conducting elections or in response to requests for submissions. These are available on the Commission's website. (Reports on the conduct of elections for clubs, statutory boards and industrial organisations are provided to each organisation following the election).

During the year there was one appearance before the Parliamentary Committee.

Governance Structure

The structure of high level committees provides the Commission with a transparent, rigorous and robust capacity for effective governance across all areas of our operations.

Electoral Commissioner

The Electoral Commissioner, Mr Colin Barry, is appointed 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 three Electoral District Commissioners appointed by the Governor to carry out electoral district redistributions according to law. The Electoral Commissioner is accountable to the Governor, Premier and Parliament (section 21AB of the *Parliamentary Electorates and Elections Act 1912*) and is oversighted by the Joint Standing Committee on Electoral Matters of the NSW Parliament.

Management Committee and Internal Committees

The Management Committee acts as an advisory board to the Electoral Commissioner on policy and operational matters within the Commission. Its members have individual and collective responsibility to implement the decisions of the Electoral Commissioner and the Management Committee; to manage the operational requirements of such decisions; and to identify avenues to further increase the effectiveness and efficiency of the Commission. In the year ending 30 June 2013 the Management Committee met 11 times.

In addition to the Management Committee, the IT Steering Committee is a forum for discussion and identification of IT issues and also identifies future IT resource needs to assist with planning and prioritising. The Committee met bi-monthly during 2012-13.

External Committees

The Commission is represented on the following external committees that assist and contribute to the Commission's governance framework.

Electoral Council of Australia and New Zealand (ECANZ)

ECANZ is a consultative council of all Electoral Commissioners 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 three occasions during the year, as follows:

- Canberra 18 October 2012 (attended by Electoral Commissioner);
- Perth 7 March 2013 (attended by the Electoral Commissioner); and
- Sydney 19 June 2013 (attended by the Electoral Commissioner).

State and Territories Electoral Commissioners (STEC)

The STEC is a collaborative body that considers electoral policy and operational matters of mutual interest. The STEC met on three occasions during the year as follows:

- Canberra 19 October 2012 (attended by the Electoral Commissioner);
- Perth 8 March 2013 (attended by the Electoral Commissioner); and
- Sydney 20 June 2013 (attended by the Electoral Commissioner).

Commission staff also attended the following meeting of the STEC during the year:

- Sydney 20 June 2013 – the Director Elections presented a progress report on behalf of the Culturally and Linguistically Diverse Communities STEC Working Group.

SmartRoll/Direct Enrolment Steering Committee

This Committee consists of representatives from the Commission, the Australian Electoral Commission and the Victorian Electoral Commission. In the year ending June 2013, the Committee met twice to discuss the cross-jurisdictional impacts of automatic enrolment.

Australian Electoral Commission's Disability Advisory Committee

This Committee focuses on work towards access for people with a disability, particularly on promoting the voting rights of people who are blind or vision impaired, promoting the rights to vote for people with a disability who may not have been given information about voting, and promoting the right to vote for young people with a disability. Our Community Education Officer attended a Committee meeting in May 2013.

Joint Roll Arrangements with Commonwealth

The Commission manages the NSW electoral roll in conjunction with the Australian Electoral Commission.

Commission staff attended the following meetings during the year:

- Canberra 31 July 2012 (attended by the Electoral Commissioner and the Director Enrolment);
- Canberra 3 October 2012 (attended by the Electoral Commissioner and the Director Enrolment);
- Canberra 29 November 2012 (attended by the Electoral Commissioner and the Director Enrolment); and
- Canberra 22 March 2013 (attended by the Electoral Commissioner and the Director Enrolment).

Risk Management

The Commission is committed to establishing and maintaining an effective risk management process. This provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management for all election events and business processes. Risks are at their peak at the time of major electoral events. Incidents relating to the activities of election officials and the attendance of electors at polling places are mitigated via training programs for election officials that emphasise risk management activities.

Audit and Risk Committee

The Audit and Risk Committee reviews significant risks and the approach for managing these risks. The committee has independent status within the 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 Audit and Risk Committee's responsibilities comply with the NSW Treasury Internal Audit Policy (TPP09-05).

The Committee also has a responsibility to provide external scrutiny and independent assurance to the Commission on the robustness of the risk management framework and project related mitigation strategies. In the coming year the Commission's risk mitigation strategies will include:

- Formalising notifications to the Audit and Risk Committee on any matters of non-compliance to legislation;
- Finalising IT policies and procedures including defining roles and responsibilities and ensuring user-access rights are commensurate with job responsibilities. Segregation of duties will ensure development and production systems are independent. Documentation to record user changes will have retention requirements communicated to staff. Training will be provided and reviews will be conducted to ensure compliance with IT controls;
- Undertaking some system enhancement for Centralised Postal Voting to allow for voter status changes, and review of statistical reporting; and
- Consolidation of procedures and communications to provide an 'info pack' for council administered elections in anticipation of the 2016 Local Government Elections.

During the year the Committee met on six occasions: July 2012, August 2012, September 2012, December 2012, February 2013 and June 2013. Committee members consist of Brian Suttor as Chairperson, and John Gordon and Kathleen Haddock as Independent Members.

Other attendees may include the NSW Electoral Commissioner, the Commission's Chief Audit Executive, and the external and internal audit service providers. The following people attended meetings of the Audit and Risk Committee by invitation:

- Mr Peter Coulogeorgiou, Audit Office of New South Wales;
- Mr Robert Hayek, Audit Office of New South Wales;
- Mr Sivarajah Jeyapalan, Audit Office of New South Wales;
- Mr Mark Driessen, PricewaterhouseCoopers;
- Mr Alan Murray, PricewaterhouseCoopers; and
- Ms Alexandra Filipe, PricewaterhouseCoopers.

Committee members are required to declare all conflicts of interest. During the year the following declarations were made:

Brian Suttor:

- Chair of the Audit and Risk Committee, Audit Office of NSW;
- Chair of the Audit and Risk Committee, Board of Studies; and
- Chair of the Audit and Risk Committee, Department of Attorney General and Justice.

John Gordon:

- Committee member, NSW Ambulance Service;
- Committee member, NSW Health Infrastructure; and
- Committee member, South Western Sydney Local Area Health District Board.

Accountability and Corporate Governance

continued



Internal Audit and Risk Management Attestation for the 2012-13 Financial Year for the New South Wales Electoral Commission

I, Colin Barry am of the opinion that the New South Wales Electoral Commission has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*. These processes provide a level of assurance that enables the senior management of the New South Wales Electoral Commission to understand, manage and satisfactorily control risk exposures.

I, Colin Barry am of the opinion that the Audit and Risk Committee for the New South Wales Electoral Commission is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and Members of the Audit and Risk Committee are:

- Brian Suttor, Independent Chair (term four years to 1 December 2013).
- Kathleen Haddock, Independent Member (term four years to 13 May 2014).
- John Gordon, Independent Member (term four years to 13 October 2014).

I declare that this Internal Audit and Risk Management Attestation is made on behalf of the following entities:

- New South Wales Electoral Commission and the *controlled entity*
Office of the New South Wales Electoral Commission

A handwritten signature in black ink that reads 'Colin Barry' with a flourish at the end.

Colin Barry
Electoral Commissioner
New South Wales Electoral Commission

Dated: 11/7/13

Internal Audit and Risk Management Policy Attestation

Internal audit is a fundamental element of our corporate governance structure and processes within the Commission. For the period ending 30 June 2013 the Audit and Risk Committee agreed to the following internal audits. The status of these is outlined below.

Figure 15 – Risk Management, internal audit status as of 30 June 2013

AUDIT	STATUS (30 JUNE)	RISK RANK @ LOW	RISK RANK @ MED	RISK RANK @ HIGH
IT General Controls	Complete	0	2	3
Legislative Compliance Review	Complete	0	1	0
Centralised Postal Voting	Complete	2	0	0
Council Administered Elections	Complete	2	0	0
WHS Legislative Compliance	In progress	N/A	N/A	N/A
Total for the year		4	3	3

External Audit

Each year the Audit Office of New South Wales conducts an audit of the Commission to obtain reasonable assurance that the financial statements are free from material misstatement and other matters of governance interest.

The Management Letter issued by the Audit Office on the audit of the Commission for the year ended 30 June 2012 raised two risks, one as a low level risk assessment and the other a moderate risk assessment. The two risks were:

- Excessive annual leave balances (moderate risk); and
- Legislative classification for Financial Reporting (low risk).

The Audit Office of New South Wales judged that both matters were satisfactorily addressed by the Commission's management during the year.

Insurance Arrangements

The Commission maintains insurance under the risk management system of the Treasury Managed Fund, namely, public liability, workers compensation, motor vehicle, property and miscellaneous insurances.

Accountability and Corporate Governance

continued

Legislative Matters

Legislative Amendments

The *Local Government Amendment (Elections) Act 2011* amended the *Local Government Act 1993* to permit councils to conduct their elections themselves or engage the Commission to conduct their elections.

During the year the Commission worked on preparation of legislative amendment proposals and the following Acts and Regulations impacting on the conduct of Local Government elections and campaign finance regulation:

- Local Government (General) Amendment (Electoral Commissioner) Regulation 2011;
- Local Government (General) Amendment (Elections) Regulation 2011;
- Local Government (General) Amendment (Election Procedures) Regulation 2012;
- *Local Government Amendment Act 2012*;
- *Local Government Amendment (Elections) Act 2011*;
- Local Government (General) Amendment (Narrabri Elections) Regulation 2012; and
- *Election Funding, Expenditure and Disclosures Amendment Act 2012*.

Compliance Privacy Legislation

The protection of personal information and the privacy of individuals are of paramount concern to the Commission.

Our 'Privacy Policy and Management Plan' details how we manage personal information collected to ensure compliance with the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. The plan applies to all people who work at the Commission including employees, contractors and other stakeholders who in the course of their work have access to personal information.

Access to Government Information

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.

The Office of the Commission provides administrative services to both the NSW Electoral Commission, a statutory corporation established under section 21A of the *Parliamentary Electorates and Elections Act 1912*, and the

Election Funding Authority of New South Wales (EFA), a statutory corporation established under section five of the *Election Funding, Expenditure and Disclosures Act 1981*.

The report below is prepared by the Office of the Commission as required under section 125 of the GIPA Act and concerns access to government information pertaining to both the Commission and the EFA.

GIPA Annual Report

Agency Name	Office of the New South Wales Electoral Commission for the NSW Electoral Commission (NSWEC) and the Election Funding Authority of NSW (EFA)
Principal Department (if applicable)	N/A
Reporting Period	2012-13

Obligations under the GIPA Act

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

Our agency's program for proactive release of information is detailed below:

- All Directors are responsible for identifying (within their areas of responsibility) information that should in the public interest be released proactively;
- Proposals are submitted to the Management Committee for endorsement; and
- Upon endorsement from the Management Committee, information to be released proactively is referred to the Right to Information Officer who will arrange public access to that information.

As noted in our GIPA Policy and Procedures manual, the Management Committee is required to conduct an annual review concerning the proactive release program in June each year.

During the 2012-13 financial year the program was included as a standing agenda item for Management Committee meetings. Directors were invited to review the program and advise whether they identified any information that should in the public interest be released proactively. No changes were made to the program with exception to when and how the program is reviewed.

Information proactively released during the reporting period includes the following:

DETAILS	PUBLISHED	WEBSITE	TYPE	PAGES
Technology Assisted Voting Approved Procedures for NSW State by-elections Report	23/07/12	The Commission website	PDF	29
Report on the Conduct of the Shellharbour City Council Election – 3 September 2011	2/10/12	The Commission Website	PDF	29
Report on the Conduct of the Wollongong City Council Election – 3 September 2011	2/10/12	The Commission Website	PDF	35
Establishing A Sustainable Framework For Election Funding and Spending Laws In New South Wales: A Report Prepared for the New South Wales Electoral Commission	14/11/12	The Commission website	PDF	296
Information sheet concerning the counting of votes under proportional system and data preference files for the 2012 Local Government Elections	18/12/12	The Commission Website	Word doc	1
Internet Voting and Voter Interference Report	5/04/13	The Commission Website	PDF	51

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

During the reporting period, our agency received one valid formal access application.

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

During the reporting period, our agency refused a total of one valid formal access application because the information requested was information referred to in Schedule 1 to the GIPA Act. The application was refused in full on the basis that it sought access to information referred to in Clause 6 of Schedule 1 of the GIPA Act (excluded information referred to in Clause 4 of Schedule 2 of the GIPA Act, being the investigative or prosecuting functions of the EFA).

4. Statistical information about access applications – Clause 7(d) and Schedule 2 GIPA Regulation

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 WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Media	0	0	1	0	0	0	0	1
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	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)	0	0	0	0	0	0	0	2
Members of the public (other)	0	0	1	0	0	0	0	0

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Accountability and Corporate Governance

continued

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 WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	2	0	0	0	0	3
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). The total number of decisions in Table B should be the same as Table A.

Table C – Invalid applications

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Application did not comply with formal requirements (section 41 of the Act)	4
Application was for excluded information of the agency (section 43 of the Act)	1
Application contravened restraint order (section 110 of the Act)	0
Total number of invalid applications received	5
Invalid applications that subsequently became valid applications	1

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	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	1
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

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

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	1
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	1
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)	2
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	2

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	1	1
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	1	1

*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	1
Applications by persons to whom information the subject of access application related (see section 54 of the Act)	0

Accountability and Corporate Governance

continued

Business Operations

The following information details our business operations through our systems and processes; plans, policies and procedures; and sustainability efforts. Appendix 6 provides details of overseas delegations to the Commission and of one overseas conference attended by a Commission employee.

Procurement Processes

The Commission encourages best practice in procurement expecting fair and equitable procurement practices resulting in best value for expenditure.

The Commission's Procurement Policy Statement and Guidelines cover the required conduct for all procurement activities associated with the acquisition of goods, works or services of any value. This includes tendering arrangements and the contracting of services, and applies to all staff and contractors.

In the coming year, we will be focusing on the development of 2015 State General Election Project Management Plans for logistics, ballot paper production and associated procurement and printing requirements. To this end, we have already engaged a procurement contractor to manage nominated project procurements with higher levels of spend and risk.

The major procurement activities that the Commission undertook in the financial period were associated with the 2012 Local Government Elections and are outlined in this overview.

Information and Records

The Commission is committed to the secure and controlled management, handling and storage of sensitive documents, records, files, materials and information in accordance with business and client needs, and to comply with the *NSW State Records Act 1998*.

The Commission is working towards compliance with the NSW State Records Digital Recordkeeping (Standard No: 10 (2008), issued under the *NSW State Records Act 1998* for the capture, management, preservation and disposal of all information assets. Records Keeping Innovations has been engaged to review and develop a road map towards this compliance.

Sustainability and Waste Management

Reducing the impact of our activities on the environment and contributing to its restoration and protection is an important component of our work.

The implementation of our Sustainability Policy ensures that we:

- Consider sustainability in all relevant decision making;
- Aim to reduce greenhouse gas emissions;
- Are more efficient in the use of energy and water and reduce wider environmental impacts associated with water and energy use;
- Meet the challenge of rising prices expected for energy, fuel, water and waste management;
- Are more efficient in the use of vehicles;
- Produce less waste and increase recycling in Government activities; and
- Use purchasing power to drive efficiency and environmental sustainability.

The Policy incorporates the existing Waste Reduction and Purchasing Policy, the Sustainable Water Policy and the Cleaner Government Fleet Program.

Initiatives are reflected in election event reports. A summary of key initiatives under which achievements have been made in reducing the amount of paper and cardboard materials are:

- SmartRoll;
- Internet voting;
- Online postal vote applications;
- eForms;
- Online recruitment of election event staff including superannuation and other processes;
- 900 kilograms of cardboard saved through redesign of voting screens and boxes;
- Reduction of courier usage and carbon footprint contributing to a significant fuel consumption reduction. Specifically, small cardboard packs containing all the cardboard polling equipment for staff of a small polling place (one that took less than 1,500 votes) were re-designed to a smaller size. This allowed Polling Place Managers to collect the packs as well as other polling material, rather than using couriers to deliver the cardboard packs directly to the polling venue. The initiative meant that courier deliveries were not required to deliver packs to approximately 1,000 polling places or 50% of the State; and
- 220 kilograms of plastic waste reduction. This was achieved by the Commission approaching the National Disability Service to find a supplier on its portfolio that could pack and package 22,000 election official stationery kits. The contract was awarded to Greenacres Industries (Greenacres Disability Services) in Wollongong. Greenacres used a heat sealed bag instead of a zip lock bag and all packs were professionally packed and accounted for.

Plans, Policies and Procedures

The Commission observes and complies with plans, policies and procedures relating to administration management which establish standards of behaviour for all staff and provide guidance on good administrative practice. These policies and plans are available to the public and its staff through our website and intranet.

As an initiative under its corporate governance program, the Commission undertook a Fraud eHealth Survey of all staff. Flowing from recommendations of the report on the survey are actions to enhance fraud/corruption control training, update the Commission's Fraud Risk Assessment and re-launch our Ethics and Protected Disclosure programs. An immediate initiative will be to undertake a Fraud and Corruption risk assessment of the Procurement and Funding and Disclosure functions.

The Commission reviewed its Recreation Leave Management policy. This complements our Sick Leave Management policy by which we aim to ensure that all reasonable steps are taken to maintain the highest standards of service delivery and operations, meet government policy targets, and promote a culture of health, safety and wellbeing in the workplace.

In June 2012 the State Government introduced changes to the Workers Compensation Scheme in NSW. The reforms improve financial support for seriously injured workers and provide more assistance for injured workers to return to work. The reforms were communicated to all staff.

The Commission's Statement of Business Ethics, which provides guidance for contractors doing business with the Commission, was reissued. Together with our code of conduct and procurement framework, it provides guidance so that business can be conducted in accordance with Government requirements and community expectations.

2012 Local Government Elections

The Commission undertook a rigorous program to secure efficiencies in services being provided and charged to councils during the September 2012 Local Government Elections. There were a number of areas where significant savings were implemented.

Procurement of Equipment and Materials

Elections use significant amounts of physical resources for both specific election materials and standard office supplies. These include office materials in addition to cardboard materials for voting stations as well as ballot papers.

Printing of ballot papers is a large-scale logistical exercise with critical deadlines made more complex by the number and variety of ballot papers required for Local Government elections. Prior to the 2012 Local Government Elections, the Commission reviewed the processes used in the 2008 Local Government Elections and the 2011 State General Election for printing ballot papers to improve efficiency and accuracy.

Reducing Costs

One of the major expenditure items for the 2008 Local Government Elections was the cost of production of ballot papers (\$2.468 million). The Commission reduced this cost significantly in 2012 by an open tender process, more detailed tender specifications and a different, co-management process. The total cost was \$1.023 million. Taking into account the quantity of ballot papers produced in 2008 (9.0 million) compared to 6.6 million in 2012, the unit cost in 2012 is approximately 56% of the 2008 cost (without adjustments for factors such as CPI changes). Based on the same quantity from 2008, the cost savings of producing ballot papers in 2012 exceeded \$1.0 million.

The Commission altered its approach to the processing of payroll and superannuation transactions. Instead of being outsourced as in 2008, these activities were undertaken in-house. The removal of multiple handling of forms, other paperwork and enquiries produced significant savings.

Shared Returning Officer Model

Due to the number of council elections the Commission conducted, we were able to offer a Shared Returning Officer model for the Local Government Elections in 2012 following the successful rollout in 2008. This option was selected by an increased number of councils in 2012. Councils which chose to share a Returning Officer's office enjoyed substantial cost savings. Larger councils typically have lower per unit operating costs and the sharing concept delivered similar benefit to the smaller councils. Average cost per elector by size of district under both the standalone and regional models is shown in Figure 16.

Figure 16 – 2012 Local Government Elections – Average Cost per Elector of Regional Returning Officer and Standalone Operations

ELECTOR RANGE	STANDALONE	REGIONAL	SAVING	SAVING %
15,001 to 30,000	\$3.46	\$2.68	\$0.78	29.1%
30,001 to 45,000	\$2.10	\$1.82	\$0.28	15.5%

Accountability and Corporate Governance

continued

Review of Charge-out Rates

We reviewed our administrative charge-out rate for conducting the 2012 Local Government Elections through an independent assessment. The charge represents the portion of the Commission's head office costs to be recouped. With productivity improvements it was possible to reduce the hourly charge-out rate from \$195 per hour (2008) to \$175 (2012). This charge is allocated across councils on a 'per elector' basis with the rate discounted for those councils where there are uncontested elections. Undertaking this change addressed an issue raised by councils during the 2008 Local Government Elections.

Feedback and Complaints

The Commission welcomes comments about our performance and service delivery. Our 'Feedback and Complaints Policy' provides the overall approach and framework for the handling of feedback, including complaints received by the Commission. The policy is based on the customer satisfaction model outlined in the

NSW Ombudsman's 'Effective Complaint Handling (2004) Guidelines' and the Australian Standard ISO 10002:2004 Customer Satisfaction – 'Guidelines for complaints handling in organisations'. The aim of the policy is to ensure that:

- All members of the community have the opportunity to provide a compliment, suggestion or lodge a complaint about the Commission;
- All feedback received is handled effectively, appropriately and in accordance with the NSW Ombudsman's recommendations; and
- Feedback received is used to assess the performance of the Commission and Election Funding Authority and determine areas for improvement.

Election stakeholders are able to provide feedback to the Commission via an online facility, letter, email, telephone and in person.

Financial

4 Performance

This section details the financial performance of the NSW Electoral Commission including the audited financials.

Financial Position	Page
Net result	54
Payment of accounts	54
Time for payment of accounts	54
Major works	54
Major assets	54
Consultants	54
Credit card certification	54

NSW Electoral Commission	Page
Statement by the Electoral Commissioner	55
Independent Auditor's Report	56
Audited Financial Statements	58
Notes to the Financial Statements	63

Office of the NSW Electoral Commission	Page
Statement by the Electoral Commissioner	85
Independent Auditor's Report	86
Audited Financial Statements	88
Notes to the Financial Statements	92

Financial position

The 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.

Net result

The actual net result was a loss of \$373,000 compared to the budgeted net result of \$2,345,000. This was primarily due to a revenue reduction from the capital appropriation received by the Commission for the Funding and Disclosure Management System (FADMS) project during the financial year. The Commission has requested approval from NSW Treasury to have the \$2.7 million in unspent funds rolled over for use in 2013-14. Further details are contained in the 2012-13 Election Funding Authority Annual Report.

Payment of accounts

The following table details our performance in paying accounts for each quarter.

Figure 17 – Payment of accounts 2012-13

QUARTER ENDING	CURRENT – 30 DAYS OR LESS \$	30-60 DAYS \$	60-90 DAYS \$	MORE THAN 90 DAYS \$	TARGET %	ACTUAL %	TOTAL \$
Sept	8,423,981	48,153	28	-	100%	99.4%	8,472,162
Dec	8,051,973	142,453	96,857	159	100%	97.1%	8,291,442
March	30,892,911	52,450	13,857	3,838	100%	99.8%	30,963,056
June	13,211,238	15,901	-	-	100%	99.9%	13,227,139
Total	60,580,103	258,957	110,742	3,997	100%	99.4%	60,953,799

Time for payment of accounts

Our performance in paying accounts continues to be high, with an average of 99.4% of all accounts being paid on time. There were no instances where interest was paid due to late payments. In instances where accounts were older than 60-90 days, as at December 2012; this was due to the number of accounts payable following the 2012 NSW Local Government Elections and issues arising from some of these accounts.

Major works

The Commission engaged in two major works projects during the year ending 30 June 2013. These were:

- Funding and Disclosure Management System \$898,092
- EMA software development for Local Government \$491,533

Major assets

The Commission has \$22.833 million in assets of which \$14.996 million is plant and equipment and intangible assets.

Consultants

During the year the Commission engaged three consultants at a total cost of \$33,000. This consultancy work is categorised under research and writing of research reports.

Credit card certification

The Commission has entered into an arrangement with Westpac Banking Corporation for the provision of credit cards. The use of the credit card is governed by the Commission's 'Credit Card Policy' which employees acknowledge upon application for a credit card. The 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

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 2010* and 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 2013 and financial performance of the New South Wales Electoral Commission 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 inaccurate.



Colin Barry
Electoral Commissioner
26 August 2013

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

New South Wales Electoral Commission

To Members of the New South Wales Parliament

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 2013, 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.

Opinion

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 2013, 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Electoral Commissioner's Responsibility for the Financial Statements

The Electoral Commissioner is responsible for the preparation of the 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 the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Electoral Commissioner, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report

My opinion does not provide assurance:

- about the future viability of the Commission or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

27 August 2013
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	CONSOLIDATED			PARENT	
		ACTUAL 2013 \$'000	BUDGET 2013 \$'000	ACTUAL 2012 \$'000	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000
EXPENSES EXCLUDING LOSSES						
Operating expenses						
Employee related	2(a)	8,102	11,220	11,039	459	360
Personnel services	2(b)	-	-	-	8,050	10,165
Other operating expenses	2(c)	9,863	7,463	5,347	9,863	5,347
Depreciation and amortisation	2(d)	5,245	4,972	5,633	5,245	5,633
Other expenses	2(e)	25,096	26,358	9,359	25,096	9,359
TOTAL EXPENSES EXCLUDING LOSSES		48,306	50,013	31,378	48,713	30,864
REVENUE						
Recurrent appropriation (net of transfer payments)	3(a)	43,848	44,975	22,823	43,848	22,823
Capital appropriation (net of transfer payments)	3(a)	1,481	4,190	1,673	1,481	1,673
(Transfers to the Crown Entity)	3(a)	(20,000)	(21,000)	-	(20,000)	-
Sale of goods and services	3(b)	3,381	2,594	1,658	3,381	1,658
Investment revenue	3(c)	224	166	97	224	97
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	(407)	433	514	-	-
Grants and contributions	3(e)	795	-	-	795	-
Other revenue	3(f)	18,616	21,000	2,416	18,616	2,416
Total Revenue		47,938	52,358	29,181	48,345	28,667
Loss on disposal	4	5	-	1	5	1
Net Result	20	(373)	2,345	(2,198)	(373)	(2,198)
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		(373)	2,345	(2,198)	(373)	(2,198)

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2013

	ACCUMULATED FUNDS		
	CONSOLIDATED	PARENT	
	NOTES	\$'000	\$'000
Balance at 1 July 2012		19,386	19,386
Net result for the year		(373)	(373)
Total other comprehensive income		-	-
Total comprehensive income for the year		(373)	(373)
Balance at 30 June 2013		19,013	19,013
Balance at 1 July 2011		21,584	21,584
Net result for the year		(2,198)	(2,198)
Total other comprehensive income		-	-
Total comprehensive income for the year		(2,198)	(2,198)
Balance at 30 June 2012		19,386	19,386

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 JUNE 2013

	NOTES	CONSOLIDATED			PARENT	
		ACTUAL 2013 \$'000	BUDGET 2013 \$'000	ACTUAL 2012 \$'000	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	7	5,872	4,889	2,855	5,872	2,855
Receivables	8	1,724	534	4,470	1,724	4,470
Inventories	9	130	100	68	130	68
Other	10	111	50	47	111	47
Total Current Assets		7,837	5,573	7,440	7,837	7,440
Non-Current Assets						
Plant and equipment	11	1,209	3,151	1,990	1,209	1,990
Intangible assets	12	13,787	14,968	16,776	13,787	16,776
Total Non-Current Assets		14,996	18,119	18,766	14,996	18,766
Total Assets		22,833	23,692	26,206	22,833	26,206
LIABILITIES						
Current Liabilities						
Payables	14	2,027	1,768	2,588	2,027	2,588
Provisions	15	1,021	1,250	1,194	1,021	1,194
Other	16	277	-	2,557	277	2,557
Total Current Liabilities		3,325	3,018	6,339	3,325	6,339
Non-Current Liabilities						
Provisions	15	495	500	481	495	481
Total Non-Current Liabilities		495	500	481	495	481
Total Liabilities		3,820	3,518	6,820	3,820	6,820
Net Assets		19,013	20,174	19,386	19,013	19,386
EQUITY						
Accumulated funds		19,013	20,174	19,386	19,013	19,386
Total Equity		19,013	20,174	19,386	19,013	19,386

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	CONSOLIDATED			PARENT	
		ACTUAL 2013 \$'000	BUDGET 2013 \$'000	ACTUAL 2012 \$'000	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(8,631)	(10,728)	(10,211)	-	-
Personnel services		-	-	-	(8,631)	(10,211)
Other		(37,070)	(38,721)	(17,385)	(39,611)	(17,385)
Total Payments		(45,701)	(49,449)	(27,596)	(48,242)	(27,596)
Receipts						
Recurrent appropriation		44,125	44,975	25,380	44,125	25,380
Capital appropriation (excluding equity appropriations)		1,481	4,190	1,673	1,481	1,673
Transfers to the Crown Entity		(22,557)	(21,000)	(200)	(22,557)	(200)
Sale of goods and services		8,366	2,594	1,875	8,600	1,875
Interest received		157	166	289	157	289
Other		18,617	26,000	1,963	20,924	1,963
Total Receipts		50,189	56,925	30,980	52,730	30,980
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	4,488	7,476	3,384	4,488	3,384
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of plant and equipment and intangible assets		-	-	-	-	-
Purchases of plant and equipment and intangible assets		(1,471)	(4,127)	(1,706)	(1,471)	(1,706)
Other		-	(63)	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,471)	(4,190)	(1,706)	(1,471)	(1,706)
CASH FLOWS FROM FINANCING ACTIVITIES						
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH		3,017	3,286	1,678	3,017	1,678
Opening cash and cash equivalents		2,855	1,603	1,177	2,855	1,177
CLOSING CASH AND CASH EQUIVALENTS	7	5,872	4,889	2,855	5,872	2,855

The accompanying notes form part of these financial statements.

Summary of compliance with financial directives

	2013				2012			
	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	53,815	52,938	4,190	1,481	74,178	52,436	1,760	1,673
	53,815	52,938	4,190	1,481	74,178	52,436	1,760	1,673
OTHER APPROPRIATIONS/EXPENDITURE								
Treasurer's Advance	900							
Transfers to the Crown		(20,000)						
	900	(20,000)	-	-	-	-	-	-
Total Appropriation/Expenditure/ Net Claim on Consolidated Fund (includes transfer payments)	54,715	32,938	4,190	1,481	74,178	52,436	1,760	1,673
Amount drawn down against Appropriation	-	33,215	-	1,481	-	54,993	-	1,673
Liability to Consolidated Fund	-	(277)	-	-	-	2,557	-	-

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'.

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

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.

The NSWEC is a NSW government entity. The NSWEC 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 NSWEC, as a reporting entity, comprises the Commission and the entity under its control, namely the Office of the New South Wales Electoral Commission.

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.

These consolidated financial statements for the year ended 30 June 2013 have been authorised for issue by the Electoral Commissioner on 26 August 2013.

b) Basis of preparation

The NSWEC's financial statements are general purpose financial statements which have been prepared in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- The requirements of the *Public Finance and Audit Act 1983* and Regulation; 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 statement 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 NSWEC 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 NSWEC'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.

e) Insurance

The NSWEC'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 NSWEC 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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

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 NSWEC obtains control over the assets comprising the appropriations/contributions. Control over appropriations and a contribution 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 NSWEC 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 NSWEC. 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 amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

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.

iii) Revaluation of plant and equipment

Consistent with the 'Valuation of Physical Non-Current assets at Fair Value' Policy and Guidelines Paper (TPP 07-1) NSWEC measures its physical non-current assets at fair value. Because NSWEC's assets are non specialised with short useful lives, their depreciated historical cost is used as a surrogate for fair value. This policy adopts fair value in accordance with the AASB 116 Property, Plant and Equipment.

iv) Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, the NSWEC is effectively exempted from AASB 136 Impairment of Assets. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

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 NSWEC.

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 for 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 charged to the Statement of Comprehensive Income in the periods in which they are incurred.

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 benefits.

No assets have been acquired under finance lease arrangements.

ix) Intangible assets

The NSWEC 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 NSWEC'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 NSWEC's intangible assets, the assets are carried at cost less any accumulated amortisation.

The NSWEC's intangible assets are amortised using the straight line method over a period of between 4 years and 8 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.

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 accounted for in the Statement of Comprehensive Income 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) Other assets

Other assets are recognised on a cost basis.

i) Liabilities

i) Payables

These amounts represent liabilities for goods and services provided to the NSWEC 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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

ii) Personnel services provision and employee benefits provision

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

Employee benefits provision relates to employees directly employed by NSWEC.

Employee related provisions include:

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

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits.

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.

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

b) Long service leave and superannuation

The NSWEC'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 12/06) 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 employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

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 5.75% 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) Equity and reserves

a) Accumulated Funds

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

k) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the *Public Finance and Audit Act* where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

l) 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.

m) New Australian Accounting Standards issued but not effective

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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

2. Expenses Excluding Losses

a) Employee related expenses

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Salaries and wages (including recreation leave)	6,702	9,410	373	325
Superannuation				
defined benefit Plan	132	184	-	-
defined contribution Plan	507	492	16	16
Long service leave	(578)	374	48	19
Workers' compensation insurance	55	92	2	-
Payroll tax and fringe benefits tax	489	487	20	-
Redundancy	795	-	-	-
	8,102	11,039	459	360

In 2012-13 where a labour hire entity was contracted by the NSW Electoral Commission to provide workers to perform work directly for the NSW Electoral Commission and it paid the labour hire entity for this work, the payments made were recognised as operating expenses by the NSW Electoral Commission (\$2.969 million). In 2011-12 these expenses (\$2.188 million) were recognised in the Office's financial statements as employee related expenses. The change in recognition is due to additional guidance on the distinction between employee related expenses and contractors in the Financial Reporting Code.

The amount of \$54,812 relating to employee related expenses has been capitalised and is excluded from employee related expenses.

b) Personnel services expenses

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Personnel services expense	-	-	8,050	10,165

These relate to expenses for personnel services provided by the Office of the New South Wales Electoral Commission.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

c) Other operating expenses include the following:

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Auditor's remuneration				
– audit of the financial statements – NSWEC	54	41	54	41
– audit of the financial statements – EFA	17	16	17	16
Advertising	815	298	815	298
Consultants	33	37	33	37
Contractors	3,797	471	3,797	471
Electricity	60	57	60	57
Insurance	76	63	76	63
Internal audit	213	188	213	188
Legal fees	-	1	-	1
Low Pool Assets	8	6	8	6
Maintenance*	17	21	17	21
Operating lease rental expense				
– minimum lease payments	1,330	1,217	1,330	1,217
Postage	799	443	799	443
Printing	550	232	550	232
Recruitment cost	-	20	-	20
Restoration Costs	22	84	22	84
Software maintenance and licences	997	773	997	773
Stationery	119	94	119	94
Storage	19	19	19	19
Telephone	68	102	68	102
Training	113	57	113	57
Travel	80	80	80	80
Other	676	1,027	676	1,027
	9,863	5,347	9,863	5,347

*Reconciliation – Total Maintenance

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Maintenance expense – contracted labour and others (non-employee related), as above	17	21	17	21
Employee related maintenance expenses included in Note 2(a)	-	-	-	-
Total maintenance expense included in Note 2(a) and Note 2(c)	17	21	17	21

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

d) Depreciation and amortisation expense

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Depreciation	860	1,182	860	1,182
Amortisation	4,385	4,451	4,385	4,451
	5,245	5,633	5,245	5,633

e) Other expense

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
By-elections	1,263	532	1,263	532
General Election	730	2,073	730	2,073
Joint Roll Agreement (Payment to the Commonwealth)*	4,490	4,338	4,490	4,338
Local Government Elections	18,613	2,416	18,613	2,416
	25,096	9,359	25,096	9,359

*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 New South Wales Electoral Commission 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 NSW Electoral Commission to the Australian Electoral Commission. At 30 June 2013 the amount payable per elector is \$0.9509.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

3. Revenue

a) Appropriations

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Recurrent appropriations				
Total recurrent draw-downs from NSW Treasury (per Summary of Compliance)	33,215	54,993	33,215	54,993
Less: Liability to Consolidated Fund (per Summary of Compliance)	(277)	(2,557)	-	(2,557)
	32,938	52,436	33,215	52,436
Comprising:				
Recurrent appropriations (per Statement of comprehensive income)	43,848	22,823	43,848	22,823
Transfer payments from recurrent appropriation	9,090	29,613	9,090	29,613
Transfer to the Crown Entity	(20,000)	-	(20,000)	-
	32,938	52,436	32,938	52,436
Capital Appropriations				
Total capital draw-downs from NSW Treasury (per Summary of compliance)	1,481	1,673	1,481	1,673
Less: Liability to Consolidated Fund (per Summary of compliance)	-	-	-	-
	1,481	1,673	1,481	1,673
Comprising:				
Capital appropriations (per Statement of comprehensive income)	1,481	1,673	1,481	1,673

b) Sale of goods and services

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Sales of goods	213	68	213	68
Rendering of services	830	1,590	830	1,590
Election administration costs recovered	2,338	-	2,338	-
	3,381	1,658	3,381	1,658

c) Investment revenue

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Interest	224	97	224	97

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

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

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Superannuation	132	184	-	-
Long service leave	(546)	320	-	-
Payroll tax	7	10	-	-
	(407)	514	-	-

e) Grants and contributions

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Redundancy grants received	795	-	795	-

f) Other revenue

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Rendering of services-local government elections	18,616	2,416	18,616	2,416

4. Loss on Disposal

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Net disposal of plant and equipment	5	1	5	1

5. Transfer payments

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Election Funding Authority*	9,090	29,613	9,090	29,613

*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 Funds. The Election Funding, Expenditure and Disclosures Act 1981 requires that the Election Funding Authority make payment to parties and candidates through a regulated claims procedure. The Election Funding Authority requests the NSW Electoral Commission to make the payments on its behalf. The value of the transfer payments for the 2012-13 financial year was \$9.090 million.

6. Service Group Statement

The NSWEC 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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

7. Current Assets – Cash and Cash Equivalents

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash at bank and on hand	5,872	2,855	5,872	2,855
	5,872	2,855	5,872	2,855

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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash and cash equivalents (per Statement of Financial Position)	5,872	2,855	5,872	2,855
Closing cash and cash equivalents (per Statement of Cash Flows)	5,872	2,855	5,872	2,855

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

8. Current Assets – Receivables

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Sale of goods and services	837	200	837	200
Accrued income	-	2,658	-	2,658
GST recoverable from the taxation authority	390	156	390	156
Prepayments	497	1,456	497	1,456
	1,724	4,470	1,724	4,470

For the year ended 30 June 2013, 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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Held for resale				
Requisite Election Materials	130	68	130	68
	130	68	130	68

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

10. Current Assets – Other

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Accrued interest income	111	47	111	47

11. 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 2012 – fair value				
Gross carrying amount	2,714	3,044	679	6,437
Accumulated depreciation	(1,865)	(2,253)	(329)	(4,447)
Net Carrying amount	849	791	350	1,990
	\$'000	\$'000	\$'000	\$'000
At 30 June 2013 – fair value				
Gross carrying amount	2,589	3,045	708	6,342
Accumulated depreciation	(2,109)	(2,615)	(409)	(5,133)
Net Carrying amount	480	430	299	1,209

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

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 2013				
Net carrying amount at start of the year	849	791	350	1,990
Additions	54	1	29	84
Disposals	(5)	-	-	(5)
Depreciation expense	(418)	(362)	(80)	(860)
Net carrying amount at end of the year	480	430	299	1,209
At 1 July 2011 – fair value				
Gross carrying amount	2,733	2,995	647	6,375
Accumulated depreciation	(1,616)	(1,644)	(250)	(3,510)
Net Carrying amount	1,117	1,351	397	2,865
At 30 June 2012 – fair value				
Gross carrying amount	2,714	3,044	679	6,437
Accumulated depreciation	(1,865)	(2,253)	(329)	(4,447)
Net Carrying amount	849	791	350	1,990

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 2012 – fair value				
Net carrying amount at start of the year	1,117	1,351	397	2,865
Additions	143	133	32	308
Disposals	(1)	-	-	(1)
Depreciation expense	(410)	(693)	(79)	(1,182)
Net carrying amount at end of the year	849	791	350	1,990

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

12. Intangible Assets – Consolidated and Parent

	SOFTWARE	TOTAL
	\$'000	\$'000
At 1 July 2012		
Gross carrying amount	31,336	31,336
Accumulated amortisation	(14,560)	(14,560)
Net Carrying amount	16,776	16,776
	\$'000	\$'000
At 30 June 2013		
Gross carrying amount	32,720	32,720
Accumulated amortisation	(18,933)	(18,933)
Net Carrying amount	13,787	13,787

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 2013		
Net carrying amount at start of the year	16,776	16,776
Additions	1,396	1,396
Disposals	-	-
Amortisation expense	(4,385)	(4,385)
Net carrying amount at end of the year	13,787	13,787
At 1 July 2011		
Gross carrying amount	29,939	29,939
Accumulated amortisation	(10,110)	(10,110)
Net Carrying amount	19,829	19,829
At 30 June 2012		
Gross carrying amount	31,336	31,336
Accumulated amortisation	(14,560)	(14,560)
Net Carrying amount	16,776	16,776

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

Reconciliation

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

	SOFTWARE	TOTAL
	\$'000	\$'000
Year ended 30 June 2012		
Net carrying amount at start of the year	19,829	19,829
Additions	1,398	1,398
Disposals	-	-
Amortisation expense	(4,451)	(4,451)
Net carrying amount at end of the year	16,776	16,776

13. Restricted Assets

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Liability to Consolidated Fund	277	2,557	277	2,557

14. Current Liabilities – Payables

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Accrued salaries, wages and on-costs	288	239	-	-
Accrued personnel services	-	-	288	239
Creditors	1,739	2,349	1,739	2,349
	2,027	2,588	2,027	2,588

Accrued personnel services payable relate to the accrued cost of personnel services provided by the Office of the New South Wales Electoral Commission. 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 2013

15. Current/Non-Current Liabilities – Provisions

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
CURRENT				
Personnel services and employee benefits				
Recreation Leave	813	952	55	-
Long Service Leave on-costs	208	232	19	-
Personnel services	-	-	947	1,184
	1,021	1,184	1,021	1,184
Other provisions				
Lease incentive on rental	-	10	-	10
Total Current Provisions	1,021	1,194	1,021	1,194
NON-CURRENT				
Long service leave on-costs (a)	-	8	-	-
Personnel services	-	-	-	8
	-	8	-	8
Other provisions				
Restoration Costs (b)	495	473	495	473
	495	473	495	473
Total Non-Current Provisions	495	481	495	481
Aggregate personnel services and employee benefits				
Provisions – current	1,021	1,184	1,021	1,184
Provisions – non-current	-	8	-	8
Accrued salaries, wages and on-costs (note 14)	288	239	-	-
Accrued personnel services (note 14)	-	-	288	239
	1,309	1,431	1,309	1,431

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

- 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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Short term – less than twelve months				
Recreation leave	669	672	669	672
Long service leave on-costs	201	232	201	232
	870	904	870	904
Long term – after 12 months				
Recreation leave	144	280	144	280
Long service leave on-costs	7	8	7	8
	151	288	151	288

- b) A provision has been recognised for the estimated costs to be incurred for the make good clause on the Kent Street Office and Riverwood Warehouse fit outs.

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 INCENTIVE ON RENTAL	RESTORATION COSTS	TOTAL
	\$'000	\$'000	\$'000
2013			
Carrying amount at the beginning of financial year	10	473	483
Additional provisions recognised	-	-	-
Amounts used	(10)	-	12
Unwinding/change in the discount rate	-	22	-
Carrying amount at end of financial year	-	495	495

16. Current Liabilities – Other

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Liability to Consolidated Fund	277	2,557	277	2,557

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

17. Commitments for Expenditure

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Capital Commitments				
Aggregate capital expenditure for the acquisition of the Funding and Disclosure Management Software, EMA LG Enhancement and Minor Works contracted for at balance date and not provided for:				
Not later than one year	4,521	550	4,521	550
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	4,521	550	4,521	550

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Operating Lease Commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	2,013	1,653	2,103	1,653
Later than one year and not later than five years	7,177	6,241	7,177	6,241
Later than five years	577	1,528	577	1,528
Total (including GST)	9,767	9,422	9,767	9,422

These capital and operating lease commitments are not recognised in the financial statements as liabilities. GST has been calculated at the rate of 10% (2013 GST: \$1,299K; 2012 GST: \$907K) and has been assumed to remain constant for the five years.

18. Contingent Liabilities and Contingent Assets

The NSWEC has no contingent liability as at 30 June 2013 (2012: Nil)

The NSWEC has no contingent assets as at 30 June 2013 (2012: Nil)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

19. Budget Review

Net result

The actual net result was \$2,718,000 lower than the budgeted amount of \$2,345,000. This was primarily due to the unspent allocated funds for the FADMS project during this financial year. The NSWEC has requested approval from NSW Treasury to have the \$2.7 million in unspent funds rolled over for use in 2013-14.

Assets and Liabilities

Assets are under budget by \$859,000. This is primarily due to the non-current assets being under budget by \$3,123,000 offset by an increase in accounts receivable of \$1,190,000. The cash balance is above budget by \$983,000 of which \$277,000 will be refunded to The Treasury in 2013-14.

Liabilities were above budget by \$302,000. This is primarily due to the recognition of \$277,000 in relation to the liability to Consolidation Fund.

Cash Flows

Cash flow from operating activities is lower than budget by \$2,988,000, mainly due to additional appropriations of \$950,000 for redundancy program and \$650,000 for General Election activity. Interest received was under budget by \$9,000.

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

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Net cash flows used on operating activities	4,488	3,384	4,488	3,384
Depreciation and amortisation	(5,245)	(5,633)	(5,245)	(5,633)
Decrease/(increase) in provisions	2,448	(2,672)	2,448	(2,672)
Increase/(decrease) in receivables and other assets	(2,620)	3,701	(2,620)	3,701
Decrease/(increase) in payables	561	(977)	561	(977)
Net gain/(loss) on disposal of plant and equipment & intangible assets	(5)	(1)	(5)	(1)
Net result	(373)	(2,198)	(373)	(2,198)

21. Administered Assets and Liabilities

	2013 \$'000	2012 \$'000
Administered Assets:		
Fines for failure to vote	7,120	-
Administered Liabilities		
Fines for failure to vote	-	-

22. Administered Expense – Debts Written Off

There were no debts written off which related to Administered Income (2012: Nil).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

23. Administered Income

	CONSOLIDATED		PARENT	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Fines for failure to vote	11,660	496	11,660	496

24. Financial Instruments (Parent and Consolidated)

The NSWEC'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 NSWEC does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The NSWEC'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 NSWEC, to set risk limits and controls and to monitor risks. From time to time, compliance with policies is reviewed by the Audit and Risk Committee.

a) Financial instrument categories

FINANCIAL ASSETS	NOTE	CATEGORY	CARRYING AMOUNT	
			2013 \$'000	2012 \$'000
Class:				
Cash and cash equivalents	7	N/A	5,872	2,855
Receivables*	8	Loans and receivables (at amortised cost)	837	2,855
Other assets	10	Loans and receivables (at amortised cost)	111	47
Class:				
Payables**	14	Financial liabilities measured at amortised cost	1,989	2,527

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).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

b) Credit Risk

Credit risk arises when there is the possibility of the NSWEC'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 NSWEC, including cash, receivables, and authority deposits. No collateral is held by the NSWEC. The NSWEC has not granted any financial guarantees.

Credit risk associated with the NSWEC'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.

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 NSWEC 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 2013: \$110,695 (2012:\$43,263) represent 14% of the total trade debtors.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

	TOTAL*	PAST DUE BUT NOT IMPAIRED*	CONSIDERED IMPAIRED*
	\$'000	\$'000	\$'000
2013			
< 3 months overdue	-	-	-
3 months – 6 months overdue	695	695	-
> 6 months overdue	-	-	-
2012			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-

Notes*

- Each column in the table reports 'gross receivables'.
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

c) Liquidity risk

Liquidity risk is the risk that the NSWEC 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 NSWEC'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 not 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 NSWEC's financial liabilities, together with the interest rate exposure.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	NOMINAL AMOUNT	INTEREST RATE EXPOSURE			MATURITY DATES		
			FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON- INTEREST BEARING	< 1 YR.	1-5 YRS.	> 5 YRS.
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2013								
Payables	-	1,989	-	-	1,989	1,989	-	-
2012								
Payables	-	2,588	-	-	2,588	2,588	-	-

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. NSWEC has no exposure to foreign currency risk and does not enter into commodity contracts.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

e) Interest rate risk

NSWEC does not have exposure to interest rate risk through interest bearing liabilities. 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 possible change of +/- 1% 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 NSWEC's exposure to interest rate risk is set out below:

	\$'000				
	CARRYING AMOUNT	-1% PROFIT	EQUITY	1% PROFIT	EQUITY
2013					
<i>Financial assets</i>					
Cash and cash equivalents	5,872	(59)	-	59	-
Financial assets at fair value					
Other assets	111	(1)	-	1	-
2012					
<i>Financial assets</i>					
Cash and cash equivalents	2,855	(29)	-	29	-
Financial assets at fair value	47	-	-	-	-
Other assets					

f) 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.

25. Events after reporting period

In May 2013 the Joint Standing Committee on Electoral Matters (JSCEM) released its recommendations from its review of the *Parliamentary Electorates and Elections Act 1912* and *Election Funding, Expenditure and Disclosures Act 1981*. The two key recommendations arising from the review were:

- That the NSW Government introduce legislation for a new electoral act for NSW which provides for both the conduct of State elections and the regulation of campaign finance and expenditure; and
- There should be one statutory corporation responsible for the conduct of State elections and the regulation of campaign finance and expenditure.

If the new legislation is introduced it is possible that the Election Funding Authority could cease to be a separate statutory body and its functions transferred to the NSWEC. Alternatively a new corporate body could be created which assumes the functions of both the Election Funding Authority and NSWEC. The State Government has six months to provide a response on the JSCEM Report which contains the above recommendations.

26. Related party transaction

All transactions for the Election Funding Authority (EFA) of New South Wales are conducted through the NSWEC's accounting framework. Within this framework, employee related expenses of \$2,224,883 (\$2,460,571 in 2012) and other operating expenses of \$1,518,844 (\$1,244,420 in 2012) are recognised as attributable to EFA's operations. NSWEC is funded via its consolidated fund appropriation for this expenditure.

END OF AUDITED FINANCIAL STATEMENTS

OFFICE OF THE NEW SOUTH WALES ELECTORAL COMMISSION

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 Office 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 2010* and the Treasurer's Directions, and the Financial Reporting Code NSW General Government Sector Entities;
- (b) The statements exhibit a true and fair view of the financial position as at 30 June 2013 of the Office 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 inaccurate.



Colin Barry
Electoral Commissioner
26 August 2013

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Office of the New South Wales Electoral Commission

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Office of the New South Wales Electoral Commission (the Office), which comprise the statement of financial position as at 30 June 2013, 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.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2013, 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* (the PF&A Act) and the *Public Finance and Audit Regulation 2010*.

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

The Electoral Commissioner's Responsibility for the Financial Statements

The Electoral Commissioner is responsible for the preparation of the 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 that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Electoral Commissioner, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report

My opinion does not provide assurance:

- about the future viability of the Office
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

27 August 2013
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000
EXPENSES EXCLUDING LOSSES			
Salaries and wages (including recreation leave)		6,329	9,085
Long service leave		(626)	355
Superannuation – defined benefit Plan		132	184
Superannuation – defined contribution Plan		491	476
Workers' compensation insurance		53	92
Payroll tax and fringe benefits tax		469	487
Redundancy		795	-
TOTAL EXPENSES EXCLUDING LOSSES	2	7,643	10,679
REVENUE			
Acceptance by the Crown Entity of employee benefits and other liabilities		(407)	514
Personnel services revenue	3	8,050	10,165
Total Revenue		7,643	10,679
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 2013

	NOTES	ACTUAL \$'000
Balance at 1 July 2012		-
Net Result for the Year		-
Total other comprehensive income		-
Total comprehensive income for the year		-
Balance at 30 June 2013		-
Balance at 1 July 2011		-
Net Result for the Year		-
Total other comprehensive income		-
Total comprehensive income for the year		-
Balance at 30 June 2012		-

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 JUNE 2013

	NOTES	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000
ASSETS			
Current Assets			
Receivables	4	1,222	1,375
Total Current Assets		1,222	1,375
Non-Current Assets			
Receivables	5	6	8
Total Non-Current Assets		6	8
Total Assets		1,228	1,383
LIABILITIES			
Current Liabilities			
Payables	6	281	239
Provisions	7	941	1,136
Total Current Liabilities		1,222	1,375
Non-Current Liabilities			
Provisions	8	6	8
Total Non-Current Liabilities		6	8
Total Liabilities		1,228	1,383
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 2013

	NOTES	ACTUAL 2013 \$'000	ACTUAL 2012 \$'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		-	-
NET INCREASE/(DECREASE) IN CASH		-	-
Opening cash and cash equivalents		-	-
CLOSING CASH AND CASH EQUIVALENTS		-	-

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies

a) Reporting entity

The Office of the New South Wales Electoral Commission (the Office) is a division of the government service established pursuant to Division 2 of Schedule 1 of the *Public Sector Employment and Management Act 2002*. The Office is a not for profit. It is consolidated as part of the NSW Electoral Commission's Accounts. It is domiciled in Australia and its principal office is at 201 Kent Street, Sydney.

The Office of the New South Wales Electoral Commission's objective is to provide personnel services to the New South Wales Electoral Commission.

The Office of the New South Wales Electoral Commission commenced operation on 1 July 2006 when it assumed responsibility for the employees and employee-related liabilities of the New South Wales Electoral Commission. The assumed liabilities were recognised on 1 July 2006 together with an offsetting receivable representing the related funding due from the former employer.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Electoral Commissioner on 26 August 2013.

b) Basis of preparation

The Office's financial statements are general purpose financial statements which have been prepared in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- The requirements of the *Public Finance and Audit Act 1983* and Regulation; 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(h).

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 accounted for in the Statement of Comprehensive Income 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. A short-term payable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial.

These amounts represent liabilities for goods and services provided to the NSWEC 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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

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

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits. Market yields on government bonds of 3.54 are used to discount long-term 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.

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

j) Long service leave and superannuation

The Office's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Office accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary income 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 12/06) 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 employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

k) New Australian Accounting Standards issued but not yet effective

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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

2. Expenses Excluding Losses

Employee Related Expense

	2013 \$'000	2012 \$'000
Salaries and wages (including recreation leave)	6,329	9,085
Long service leave	(626)	355
Superannuation		
defined benefit Plan	132	184
defined contribution Plan	491	476
Workers' compensation insurance	53	92
Payroll tax and fringe benefits tax	469	487
Redundancy	795	-
Total Expense	7,643	10,679

In 2012-13 where a labour hire entity was contracted by the NSW Electoral Commission to provide workers to perform work directly for the NSW Electoral Commission and it paid the labour hire entity for this work, the payments made were recognised as operating expenses by the NSW Electoral Commission (\$2.969 million). In 2011-12 these expenses (\$2.188 million) were recognised in the Office's financial statements as employee related expenses. The change in recognition is due to additional guidance on the distinction between employee related expenses and contractors in the Financial Reporting Code.

3. Revenues

Personnel services revenue

	2013 \$'000	2012 \$'000
New South Wales Electoral Commission	8,050	10,165
Total Revenues	8,050	10,165

4. Current Assets – Receivables

	2013 \$'000	2012 \$'000
New South Wales Electoral Commission	1,222	1,375
Total Current Assets	1,222	1,375

5. Non-Current Assets – Receivables

	2013 \$'000	2012 \$'000
New South Wales Electoral Commission	6	8
Total Non-Current Assets	6	8

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

6. Current liabilities – Payables

	2013 \$'000	2012 \$'000
Accrued salaries and wages	281	239
Total	281	239

7. Current Liabilities – Provisions

Employee benefits and related on – costs

	2013 \$'000	2012 \$'000
Recreation leave	758	904
Long service leave on-costs	183	232
Total Provisions	941	1,136

8. Non – Current Liabilities – Provisions

Employee benefits and related on-costs

	2013 \$'000	2012 \$'000
Long Service Leave on-costs	6	8
Total Provisions	6	8

	2013 \$'000	2012 \$'000
Short term – less than twelve months		
Recreation leave	655	904
Long service leave on-costs	183	232
	838	1,136
Long term – after 12 months		
Recreation leave	103	-
Long service leave on-costs	6	8
	109	8

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

9. Financial Instruments

The Office's principal financial instruments are outlined below. These financial instruments arise directly from the Office's operations or are required to finance the Office's operations. The Office does not enter into or trade financial instruments for speculative purposes. The Office 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 Office's exposure to liquidity risk is deemed insignificant based on prior experience and current assessment of risk. The carrying amount approximates fair value.

10. Events after reporting period

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

END OF AUDITED FINANCIAL STATEMENTS

References

References

5

References	Page
Appendices	98
Glossary	104
Table of Figures	106
Index	107

Appendices

Table of Appendices

NO	TITLE	PAGE
1	Determinations on Requests for Electoral Information or Data, 2012-13	99
2	Elections conducted for Clubs, Statutory Boards and Industrial Organisations 2012-13	100
3	Political Parties registered for State and Local Government elections	101
4	Councils who selected the Commission to conduct their elections, 2012 Local Government Elections	102
5	Performance and numbers of Senior Executive Officers	103
6	Overseas visits and delegations	103

Appendix 1

Determinations on Requests for Electoral Information or Data, 2012-13

10 July 2012	# 14 NSW Council Administered Elections Provision of printed copies of the authorised rolls and soft copies of reference rolls and access to an internet based elector enrolment look-up for the purpose of conducting the 2012 election until 17 September 2012	Requests approved
15 August 2012	Crown Solicitor's Office Evidentiary information in relation to the enrolled address and enrolment documents for a number of individuals between 12 September 2009 and 15 August 2012	Request approved
7 September 2012	Ku-ring-gai Council Request for hardcopy of the Electoral Roll used in the 2012 Local Government Election	Request denied
10 September 2012	Port Stephens Council Request for hardcopy of the Electoral Roll used in the 2012 Local Government Election	Request denied
11 September 2012	Cooma-Monaro Shire Council Request for hardcopy of the Electoral Roll used in the 2012 Local Government Election	Request denied
14 September 2012	Canada Bay Council Request for hardcopy of the Electoral Roll used in the 2012 Local Government Election	Request denied
19 November 2012	Mr Ian Smith – private request Enrolment search for address – seeking historical information regarding the enrolled address of elderly parents from 1960-1964	Request denied
20 December 2012	Cancer Institute – Cervical Screening Program Request for Electoral Roll to be used to update current address detail in client records (original request from 2011)	Request approved
20 February 2013	NSW Trustee & Guardian Request for current enrolled address of an individual on behalf of client	Request denied
22 February 2013	Gosford City Council Request for electronic access to the NSW Electoral Roll to correct address errors in their list of residents and ratepayers	Request denied
26 February 2013	NSW Police Evidentiary document of the current enrolled address of an individual to be presented as evidence in court	Request approved
12 March 2013	Vanelli Consulting Services Pty Ltd (T/A Total Applied Solutions) Request for scrambled full version of recent NSW roll to be used as test data for the development and demonstration of a prototype replacement for the current PDA based iRoll	Request approved
26 March 2013	Council Administered By-election – Kempsey Shire Council Provision of printed copies of the authorised rolls and soft copies of reference rolls and access to an internet based elector enrolment look-up for the purpose of conducting the 2013 by-election until 20 May 2013	Request approved
28 March 2013	Children's Court of NSW – Woy Woy Subpoena for evidentiary documents relating to the current enrolled address of an individual	Request approved
8 April 2013	Administrative Decisions Tribunal – NSW Summons to provide evidence relating to the enrolment changes and documents for the period of 1 June 2012 to 31 December 2012	Request approved
15 April 2013	Hunters Hill Council Request for hardcopy of the Electoral Roll used in the 2012 Local Government Election	Request denied
17 April 2013	NSW Trustee & Guardian Request for electronic access to an Elector Search facility to access the NSW Electoral Roll	Request denied
23 April 2013	Cancer Institute NSW Request for amendment to NSW Electoral Roll Access for the New South Wales Cancer Registries (NSWCRs)	Decision pending
10 May 2013	University of Sydney – Sydney School of Public Health Request for data (8,000 random sample of females aged 48-50 years) for research in breast cancer screening in NSW	Request approved
21 May 2013 (Original request 31 May 2011)	University of NSW – Injury Risk Management Research Research into health care use (emergency department, hospitalisation and death) by LGA during a 1 year period	Decision pending

Appendices continued

Appendix 2

Elections conducted for Clubs, Statutory Boards and Industrial Organisations 2012-13

MONTH AND YEAR OF ELECTION	ORGANISATION	ELECTION
July 2012	Tibooburra Village Committee Inc.	By-election of 1 committee member
July 2012	Collaroy Beach Services Club Ltd.	Election of Board of Directors
July 2012	Campbelltown RSL Club Ltd.	Election of Advisory Committee
August 2012	Cabramatta Bowling & Recreation Club Ltd.	Election of Board of Directors
August 2012	Clubs NSW	Election of Regional Councillors
September 2012	Cabra Vale Ex-Active Servicemen's Club Ltd.	Election of Board of Directors
September 2012	TAB Agents Association of NSW	Election of President and 1 Executive Committee Member
September 2012	Leichhardt Bowling & Recreation Club	Election of Board of Directors
September 2012	Auburn Tennis & Recreation Club	Election of Board of Directors
October 2012	ClubsNSW	Election of Board of Directors (Group 1)
October 2012	Club Mulwala	Election of Board of Directors
October 2012	Silverton Village Committee Inc.	Election of 2 Community Members
October 2012	West Tradies Club (previously Mt Druitt Workers)	Election of Board of Directors
October 2012	Public Service Association of NSW	Election of Executive Officers and Delegates
October 2012	NSW Gun Club	Election of Board of Directors
October 2012	Restaurant & Catering Industry Association of NSW	Election of Officers and Committee
November 2012	St Marys Rugby League Club Ltd.	Election of Board of Directors
November 2012	NSW Institute of Teachers	Election of members to the Quality Teaching Council
November 2012	Commercial Club (Albury) Ltd.	Election of Board of Directors
November 2012	Architects Registration Board	Election of 2 Board Members
November 2012	Mingara Recreation Club Ltd.	Election of Board of Directors
November 2012	The Master Fish Merchants' Association of Australia	Election of Officers
December 2012	The Seamen's Union of Australia (NSW Branch)	Election of Executive Officers (committee of management)
December 2012	Bus & Coach Industrial Association of NSW	Election of Office Bearers
December 2012	The Real Estate Employers' Federation of NSW	Election of Committee of Management
March 2013	Pharmacy Council of NSW	Election of 5 Council Members
March 2013	The Wine Grapes Marketing Board	Election of 5 Board Members
March 2013	Miranda RSL Sub-Branch Club Ltd.	Election of Board of Directors
April 2013	NSW Institute of Teachers	Election of 1 representative of Government School Primary Principals
May 2013	Canley Heights RSL Club Ltd.	Election of Board of Directors
May 2013	Auburn RSL Club Ltd.	Election of Board of Directors
May 2013	Australian Institute of Marine and Power Engineers NSW District	Election of Officers

Appendix 3

Political Parties registered for State and Local Government elections

State Registered Political Parties as at 30 June 2013

PARTY NAME	PARTY NAME
Australian Democrats (NSW Division)	No Parking Meters Party
Australian Labor Party (NSW Branch)	Outdoor Recreation Party
Building Australia Party	Shooters and Fishers Party
Christian Democratic Party (Fred Nile Group)	Socialist Alliance
Country Labor Party	The Fishing Party
Family First NSW Inc	The Greens
Liberal Party of Australia New South Wales Division	Unity Party
National Party of Australia – NSW	

Local Government Registered Political Parties as at 30 June 2013

PARTY NAME	PARTY NAME
Albury Citizens and Ratepayers Movement	Manly Independents – Putting Residents First
Australia First Party (NSW) Incorporated (Councils)	Our Sustainable Future
Bob Thompson's Independent Team	Residents Action Group for Auburn Area
Burwood Community Voice	Residents First Woollahra
Clover Moore Independent Team	Residents For Mosman
Community First Team	Save Tuggerah Lakes
Community Service 'Environment' Save Campbelltown Koalas	Serving Mosman
Democratic Labor Party	Shire Watch Independents
Eurobodalla Ratepayers Action	Shoalhaven Independents Group
Holroyd Independents	The Living Sydney Team
Keep Coogee a Village	The Parramatta Independents
Kogarah Residents' Association	Totally Locally Committed Party
Liberal Democratic Party	Woodville Independents
Liverpool Community Independents Team	Your Warringah
Lorraine Wearne Independents	

Appendices continued

Appendix 4

Councils which selected the Commission to conduct their elections – 2012 Local Government Elections

Albury	Cooma-Monaro	Ku-ring-gai	Ryde
Armidale Dumaresq	Coonamble	Kyogle	Singleton
Ashfield	Cootamundra	Lachlan	Snowy River
Auburn	Corowa	Leeton	Strathfield
Ballina	Cowra	Leichhardt	Sydney
Balranald	Deniliquin	Lismore	Tamworth Regional
Bankstown	Dubbo	Lithgow	Temora
Bathurst Regional	Dungog	Liverpool	Tenterfield
Bega Valley	Eurobodalla	Liverpool Plains	The Hills
Bellingen	Forbes	Lockhart	Tumbarumba
Berrigan	Gilgandra	Manly	Tumut
Blacktown	Glen Innes Severn	Marrickville	Tweed
Bland	Gloucester	Mid-Western Regional	Upper Hunter
Blayney	Gosford	Moree Plains	Upper Lachlan
Blue Mountains	Goulburn-Mulwaree	Mosman	Uralla
Bogan	Great Lakes	Murray	Urana
Bombala	Greater Hume	Murrumbidgee	Wagga Wagga
Boorowa	Greater Taree	Muswellbrook	Wakool
Bourke	Griffith	Nambucca	Walcha
Brewarrina	Gundagai	Narrabri	Walgett
Broken Hill	Guyra	Narrandera	Warren
Burwood	Gwydir	Narromine	Warringham
Byron	Harden	North Sydney	Warrumbungle
Cabonne	Hawkesbury	Oberon	Waverley
Camden	Hay	Orange	Weddin
Campbelltown	Holroyd	Palerang	Wellington
Canada Bay	Hornsby	Parkes	Wentworth
Canterbury	Hunters Hill	Parramatta	Willoughby
Carrathool	Hurstville	Pittwater	Wingecarribee
Central Darling	Inverell	Port Macquarie Hastings	Wollondilly
Clarence Valley	Jerilderie	Queanbeyan	Woollahra
Cobar	Junee	Randwick	Wyong
Conargo	Kiama	Richmond Valley	Yass Valley
Coolamon	Kogarah	Rockdale	Young

Councils which administered their own elections – 2012 Local Government Elections

Botany Bay	Gunnedah	Maitland	Shoalhaven
Cessnock	Kempsey	Newcastle	Sutherland
Coffs Harbour	Lake Macquarie	Penrith	
Fairfield	Lane Cove	Port Stephens	

Appendix 5

Performance and numbers of Senior Executive Officers

There was one senior executive service position at Level 3 for both the current and prior year. There were no female Senior Executive Service Officers employed in the current or prior year.

Chief Executive Officer (holding a Statutory Officer position outside the senior executive service arrangements).

Name	Colin Barry
Title	Electoral Commissioner and Division Head of the Office of the NSW Electoral Commission
Remuneration	\$341,980
Period in position	Full period
Statement of performance	The Electoral Commissioner holds an independent statutory position appointed for 10 years. There is no performance agreement or annual review by a Minister
Performance pay	Not applicable

Appendix 6

Overseas visits and delegations

On 8 September 2012 the Commission hosted a Thai delegation interested in the 2012 Local Government Elections and the innovations being introduced at the Sydney Town Hall polling place.

From 25 to 27 October 2012 the Commission of Elections from the Philippines attended the Commission to observe electronic voting at the Sydney District By-election.

From 2 to 5 December 2012 the Director of Funding and Disclosure, attended the Council on Government Ethics Law conference at Columbus, Ohio, USA.

Glossary

NAME/TITLE	SYNOPSIS
Absent vote	A vote made at a polling place by an elector who is outside his or her own electoral district on election day.
Absolute majority	More than 50% of the total formal vote.
Australian Electoral Commission	The organisation responsible for conducting Federal elections, referendums and maintaining the Commonwealth electoral roll.
Ballot box	The sealed container into which an elector places a completed ballot paper.
Ballot paper	The paper printed for an election which a voter marks to record 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 or the councillor for a Local Government Area.
Candidate	A person who nominates for election to parliament or to a council.
Check count	On the Sunday after election day 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.
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 enrolled to vote, voting is compulsory. A penalty applies for failing to vote.
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 when 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 is 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.
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.
Independent	A candidate for election to, or a member of, parliament who is not a member of a political party.

NAME/TITLE	SYNOPSIS
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 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 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 8 year term, half of whom are elected at each NSW State General 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 determine 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 with approximately equal numbers of electors, of a Local Government area.

Table of Figures

NO.	TITLE	PAGE NO.
1	Eligible NSW citizens enrolled to vote as at 30 June 2011, 2012 and 2013	17
2	NSW Enrolment Participation Rate (18 years and over)	18
3	2004, 2008 and 2012 Local Government Elections – Engagement by Electors	18
4	Local Government By-elections	19
5	State By-elections	19
6	Voting Services for Interstate Electors	19
7	2012 Local Government Elections Service Commitments for General Managers, Targets and Results	22
8	2012 Local Government Elections Service Commitments for Candidates and Political Parties, Targets and Results	26
9	2012 Local Government Elections Service Commitments for Electors, Targets and Results	28
10	Permanent staff – number by category over a five-year period	32
11	Trends in the Representation of EEO Groups within the Commission over a five-year period	33
12	NSW Electoral Commission permanent staff – injuries and claims over a five-year period	34
13	Sick Leave – average (days) absences for permanent staff over a five-year period	34
14	Training and Development completed by staff as at 30 June 2013	35
15	Risk Management, internal audit status as of 30 June 2013	45
16	2012 Local Government Elections – Average Cost per Elector of Regional Returning Officer and Standalone Operations	51
17	Payment of accounts 2012-13	54

Index

A	
Aboriginal and Torres Strait Elector Action Plan	19
Accountability	42
Advertising campaign	18, 38
Appendices	98
Audits (see Risk Management)	43
Audited financial statements	53
Audit and Risk Committee	43
Australian Electoral Commission	18, 19
Automatic Enrolment/re-enrolment (see SmartRoll)	18
B	
Ballot papers	51
Business Operations	50
C	
Chief Financial Officer's Report	12
Club elections	19
Code of Conduct	35
Committees	42
Complaints	52
Consultants	54
Corporate Governance (see Accountability and Corporate Governance)	42
Credit card certification	54
Culturally and Linguistically Diverse Communities	19, 42
D	
Disability Advisory Committee	43
E	
Election Funding Authority	8
Election staff (temporary)	33
Electoral Commissioner	42
Electoral Council of Australia and New Zealand	42
Electoral Regulation Research Network	11
Electoral Roll Management	39
Environmental management (see Sustainability and Waste Management)	50
Equal Access to Democracy	33
Equal Employment Opportunity	33
Executive Management team	6

F	
Financial Performance	12, 53
Future Directions	9, 15
G	
Glossary	104
Government Information (Public Access)	46
I	
Independent Auditor's Report	56, 86
Industrial organisations	19
Information and Records	50
Insurance arrangements	45
Inter-jurisdictional elections	4
iVote	9, 38
J	
Joint Roll Arrangement	43
Joint Standing Committee on Electoral Matters	9, 42
L	
Legislative Amendments	46
Local Government elections	8, 12, 17
M	
Major works	54
Major assets	54
Management Committee	42
Multicultural Action Plan	19
N	
Non-voting penalty notices and excuses	18
O	
Organisational structure	7
Overseas visits and delegations	103
P	
Payment of accounts	54
Political parties	19
Privacy and personal information protection	46
Procurement processes	50
Protected Disclosures	35
R	
Records management (see Information and Records)	50

Index continued

R	
Risk Management	43
S	
Secondments	34
Service Charter	22
S	
Sick Leave	34
SmartRoll	18
Social media	38
Staff	30
Statutory boards	19
Study assistance	35
Sustainability	50
Sydney Town Hall	22
T	
Table of Figures	106
Technology-assisted voting	38
Training and Development	35
V	
Vision impairment	29
W	
Waste Management	50
Workplace Health and Safety	34

Stakeholders' Comments

ON THE CONDUCT OF THE 2012 LOCAL GOVERNMENT ELECTIONS

“...really impressed with presentations and information in relation to policies, procedures, roles etc.”

RETURNING OFFICER

Summed it up nicely and provided **information** on how to **clarify** any issues arising at a later time in relation to funding.”

CANDIDATE ON INFORMATION SEMINAR

“The NSWEC is to be congratulated on making the Sydney Town Hall available for electors outside their council area.”


GENERAL MANAGER

Customer focus
Future Directions
iVote Innovation
SmartRoll Adaptation
Integrity Collaboration

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The Commission's 2012-13 Annual Report was produced using internal resources.

 *To reduce our environmental impact, this report can be downloaded from the Commission's website www.elections.nsw.gov.au*