

Electoral Commission of South Australia

Financial report
for the year ended
30 June 2020



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To the Electoral Commissioner Electoral Commission of South Australia

Opinion

I have audited the financial report of the Electoral Commission of South Australia for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Electoral Commission of South Australia as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2020
- a Statement of Administered Financial Position as at 30 June 2020
- a Statement of Administered Cash Flows for the year ended 30 June 2020
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Electoral Commissioner and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Electoral Commission of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) have been met.

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

Responsibilities of the Electoral Commissioner for the financial report

The Electoral Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Electoral Commission of South Australia for the financial year ended 30 June 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

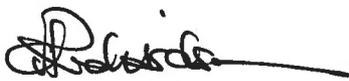
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Electoral Commission of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Electoral Commissioner.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Electoral Commissioner about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

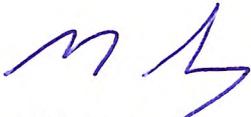
28 September 2020

Electoral Commission of South Australia

Certification of the Financial Statements

We certify that the:

- financial statements of the Electoral Commission of South Australia:
 - are in accordance with the accounts and records of the Electoral Commission of South Australia; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Electoral Commission of South Australia at the end of the financial year (30 June 2020) and the result of its operations and cash flows for the financial year ended 30 June 2020.
- Internal controls employed by the Electoral Commission of South Australia over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Mick Sherry
Electoral Commissioner



Ian Clayfield
Chief Financial Officer

Date: 25 September 2020

Electoral Commission of South Australia

Statement of Comprehensive Income

for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<u>Income</u>			
Appropriations	4.1	5 324	5 376
Sales of goods and services	4.2	862	7 273
Fees and charges	4.3	-	3
Resources received free of charge	4.4	683	15
Other income		-	6
Total income		6 869	12 673
<u>Expenses</u>			
Employee benefits expenses	2.3	2 652	5 377
Supplies and services	3.1	2 755	7 291
Depreciation and amortisation expense	3.2	666	403
Other expenses	3.3	31	46
Total expenses		6 104	13 117
Net result		765	(444)
Total comprehensive result		765	(444)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Electoral Commission of South Australia

Statement of Financial Position

as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	3 735	3 438
Receivables	6.2	222	202
Total current assets		3 957	3 640
<u>Non-current assets</u>			
Property, plant and equipment	5.1	1 074	713
Intangible assets	5.2	826	1 133
Total non-current assets		1 900	1 846
Total assets		5 857	5 486
<u>Current liabilities</u>			
Payables	7.1	260	488
Financial liabilities	7.2	1	-
Employee benefits	2.4	368	420
Provisions	7.3	13	12
Other current liabilities	7.4	105	105
Total current liabilities		747	1 025
<u>Non-current liabilities</u>			
Payables	7.1	28	28
Employee benefits	2.4	448	463
Provisions	7.3	18	15
Other non-current liabilities	7.4	315	419
Total non-current liabilities		809	925
Total liabilities		1 556	1 950
Net assets		4 301	3 536
<u>Equity</u>			
Contributed capital		1 558	1 558
Retained earnings		2 743	1 978
Total equity		4 301	3 536

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Electoral Commission of South Australia

Statement of Changes in Equity

for the year ended 30 June 2020

	Contributed capital	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 30 June 2018	1 558	2 422	3 980
Net result for 2018-19 and Total comprehensive result for 2018-19	-	(444)	(444)
Balance at 30 June 2019	1 558	1 978	3 536
Net result for 2019-20 and Total comprehensive result for 2019-20	-	765	765
Balance at 30 June 2020	1 558	2 743	4 301

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Electoral Commission of South Australia

Statement of Cash Flows

for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<u>Cash flows from operating activities</u>			
<i>Cash inflows</i>			
Appropriations received		5 324	5 376
Sales of goods and services		926	8 215
Fees and charges		-	3
GST recovered from the ATO (net of payments)	8.1	210	19
Receipts from paid parental leave scheme		9	-
Other receipts		-	6
Cash generated from operations		6 469	13 619
<i>Cash outflows</i>			
Employee benefits payments		(2 719)	(5 354)
Payments for supplies and services		(3 367)	(8 177)
Payments for paid parental leave scheme		(9)	-
Other payments		(31)	(46)
Cash used in operations		(6 126)	(13 577)
Net cash provided by operating activities		343	42
<u>Cash flows from investing activities</u>			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(14)	(44)
Purchase of intangible assets		(19)	(214)
Net cash used in investing activities		(33)	(258)
<u>Cash flows from financing activities</u>			
<i>Cash outflows</i>			
Repayment of lease liabilities		(13)	-
Cash used in financing activities		(13)	-
Net cash used financing activities		(13)	-
Net increase/(decrease) in cash and cash equivalents		297	(216)
Cash and cash equivalents at the beginning of the period		3 438	3 654
Cash and cash equivalents at the end of the period	6.1	3 735	3 438
<i>Non-cash transactions</i>			
Resources received free of charge - Shared Services SA payroll services	3.1 & 4.4	13	15
Leasehold improvements - contributed asset from DPTI	4.4 & 5.1	670	-
Leasehold improvements - office accommodation incentive from DPTI	5.1	-	524

The accompanying notes form part of these financial statements.

Electoral Commission of South Australia

Notes to the Financial Statements

1. About the Electoral Commission of South Australia

The Electoral Commission of South Australia (the Commission) is a not-for-profit government agency of the State of South Australia. The Commission is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown, which has been established to assist the Electoral Commissioner to discharge statutory duties in accordance with the provisions of the *Electoral Act 1985*.

The Commission does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Commission.

Administered financial statements relating to administered resources are presented separately as part of this report after Note 11.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act*; and
- relevant Australian Accounting Standards (Reduced Disclosure Requirements).

For the 2019-20 financial statements the Commission adopted AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities*. Further information is provided in Note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2 Objectives and programs

The objectives of the Commission are to provide services which enable the fair and independent election of government and governing bodies and which help and encourage the community to participate with confidence and trust in the democratic processes of representation.

The Commission conducts fair and independent state, local government and nominated statutory elections and utilises its skill base to support non-government electoral activities and offer electoral advice across all community sectors.

Electoral Commission of South Australia

The Commission provides a range of electoral services and products, covering the parliamentary and non-parliamentary sectors, including:

Program 1: Parliamentary Electoral Services

- conduct of elections for representatives for the state parliament;
- maintaining an accurate register of electors;
- monitoring and reporting disclosures of donations and campaign expenditure for registered political parties, candidates, agents and third parties, administering the public funding for election campaigns for registered political parties and candidates, and reimbursing administrative expenditure incurred by registered political parties;
- electoral education and information provision for the South Australian community;
- research and evaluation of electoral matters;
- support for parliamentary electoral district boundary reviews.

Program 2: Non-Parliamentary Electoral Services

- conduct of elections for local government authorities, statutory, industrial and other organisations;
- providing information to organisations seeking advice on electoral matters;
- support for council boundary representation reviews.

The following tables present income, expenses, assets and liabilities attributable to each program.

Income and expenses by program <i>for the year ended 30 June 2020</i>	Parliamentary Electoral Services		Non-Parliamentary Electoral Services		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Income</u>						
Appropriation	5 324	5 376	-	-	5 324	5 376
Sales of goods and services	17	16	845	7 257	862	7 273
Fees and charges	-	3	-	-	-	3
Resources received free of charge	683	15	-	-	683	15
Other income	-	6	-	-	-	6
Total income	6 024	5 416	845	7 257	6 869	12 673
<u>Expenses</u>						
Employee benefits expenses	2 590	2 861	62	2 516	2 652	5 377
Supplies and services	2 503	2 982	252	4 309	2 755	7 291
Depreciation and amortisation expense	631	382	35	21	666	403
Other expenses	31	46	-	-	31	46
Total expenses	5 755	6 271	349	6 846	6 104	13 117
Net result	269	(855)	496	411	765	(444)

Electoral Commission of South Australia

Assets and liabilities by program <i>as at 30 June 2020</i>	Parliamentary Electoral Services		Non-Parliamentary Electoral Services		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets</u>						
Cash and cash equivalents	3 735	3 438	-	-	3 735	3 438
Receivables	198	195	24	7	222	202
Property, plant and equipment	1 074	713	-	-	1 074	713
Intangible assets	705	977	121	156	826	1 133
Total assets	5 712	5 323	145	163	5 857	5 486
<u>Liabilities</u>						
Payables	272	509	16	7	288	516
Financial liabilities	1	-	-	-	1	-
Employee benefits	816	879	-	4	816	883
Provisions	31	27	-	-	31	27
Other liabilities	420	524	-	-	420	524
Total liabilities	1 540	1 939	16	11	1 556	1 950
Net assets	4 172	3 384	129	152	4 301	3 536

1.3 Impact of COVID-19 pandemic on the Commission

The COVID-19 pandemic has not had a significant impact on the operations of the Commission. The key impacts in 2019-20 were:

- Almost all staff commenced working from home arrangements from 24 March 2020.
- Electoral services that were previously conducted at councils, such as candidate briefings, scrutiny and count activities, have been presented online and/or with suitable social distancing measures.

Electoral Commission of South Australia

1.4 Budget performance

The budget performance table compares the Commission's outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Ref.	Original Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
Income				
Appropriation		5 178	5 324	146
Sales of goods and services		627	862	235
Resources received free of charge	(1)	-	683	683
Total income		5 805	6 869	1 064
Expenses				
Employee benefits expenses		2 917	2 652	(265)
Supplies and services	(2)	2 384	2 755	371
Depreciation and amortisation expense		563	666	103
Other expenses		34	31	(3)
Total expenses		5 898	6 104	206
Net result		(93)	765	858
Total comprehensive result		(93)	765	858
Investing expenditure summary				
	Ref.	Original Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
Investing expenditure summary				
Office fit-out asset received free of charge from DPTI	(1)	-	670	670
Total annual programs		51	50	(1)
Total investing expenditure		51	720	669

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- (1) Office renovations following renewal of the head office tenancy from 1 July 2019 were, in part, funded by a contributed asset from DPTI (\$670 000). The office fit-out asset was not transferred from DPTI as budgeted in 2018-19 as the fit-out was not completed until 2019-20. No expenditure has been made by the Commission. The budget from 2018-19 was subsequently carried over into 2019-20.
- (2) *Supplies and services* expenses were higher than original budget largely due to the costs associated with conducting more elections for councils and third parties, plus costs of contractors to cover for some employee position vacancies.

Electoral Commission of South Australia

2. Key management personnel, committee members and employees

2.1 Key management personnel

Key management personnel of the Commission include the Minister (the Attorney-General), the Electoral Commissioner and the Deputy Electoral Commissioner who have responsibility for the strategic direction and management of the Commission.

The Electoral Commissioner and Deputy Electoral Commissioner are employed pursuant to the Electoral Act. Their remuneration is reported in Notes to Administered Items Note A3 *Remuneration of Statutory Officers employed pursuant to the Electoral Act*.

The compensation disclosed in Note 2.3 and Administered Items Note 3A excludes salaries and other benefits the Attorney-General receives. The Attorney-General's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

There were no transactions with key management personnel.

2.2 Risk and Performance Committee members

Members during the 2020 financial year were:

- Patricia Christie (appointed August 2018)
- John Dunnery (appointed December 2018) - government employee
- Melissa Lovell (appointed December 2018)
- Vladimir Malcik (appointed December 2018)
- Jacqui des Vages (appointed December 2018) - Commission employee

Committee members' remuneration

	2020	2019
	No.	No.
The number of members whose remuneration received or receivable in relation to their membership of this Committee falls within the following bands:		
\$1 - \$19 999	3	3
Total number of members	3	3

In accordance with the Premier and Cabinet Circular No. 016, the Commission and government employee members on the Committee did not receive any remuneration for committee duties during the financial year. The total remuneration received or receivable by members was \$7 000 (2019: \$6 000). Remuneration of members in 2019-20 reflects sitting fees only.

2.3 Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	2 075	4 345
Long service leave	26	141
Annual leave	156	179
Skills and experience retention leave	1	2
Employment on-costs - superannuation	226	390
Employment on-costs - payroll tax	128	250
Committee fees	7	6
Workers compensation	6	16
Other employee related expenses	27	48
Total employee benefits expenses	2 652	5 377

Electoral Commission of South Australia

Employment on-costs - superannuation

The superannuation employment on-costs charge represents the Commission's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

No employees of the Commission received remuneration equal to or greater than the base executive remuneration level during the year.

Targeted voluntary separation packages

No targeted voluntary separation packages were paid.

2.4 Employee benefits liabilities

	2020 \$'000	2019 \$'000
<u>Current</u>		
Accrued salaries and wages	70	48
Annual leave	243	265
Long service leave	49	96
Skills and experience retention leave	6	11
Total current employee benefits	368	420
<u>Non-current</u>		
Long service leave	448	463
Total non-current employee benefits	448	463
Total employee benefits	816	883

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave liability in full are expected to be payable within 12 months and are measured at the undiscounted amount-expected-to-be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided in Note 11.1.

3. Expenses

Employee benefits expenses are disclosed in Note 2.3.

The most significant non-employee benefits expenses that influence the performance of the Commission relate to the cost of conducting major electoral events such as the four-yearly State election and Local Government periodic elections. In addition, the cost of the electoral roll management by the Australian Electoral Commission, head office tenancy costs from the Department of Planning, Transport and Infrastructure (DPTI) and information and communication technology provision and support costs represent the majority of recurrent, non-discretionary expenditure.

Electoral Commission of South Australia

3.1 Supplies and services

	2020 \$'000	2019 \$'000
Rental accommodation services	399	763
Advertising	47	811
Production and maintenance of electoral rolls	1 060	1 031
Printing and stationery	51	1 050
Postage	118	2 116
Communications and information technology	356	426
Distribution, storage and hire rental	64	235
Training and development	17	36
Consultants	63	6
Travel	37	48
Contract employees and related expenses	169	274
Contract of services	40	102
Minor equipment, works and maintenance	165	74
Other	169	319
Total supplies and services	2 755	7 291

Accommodation

All of the Commission's non-election accommodation is provided by DPTI under a Memorandum of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. The MoAA does not meet the definition of lease set out in AASB 16 *Leases*.

Consultants

	2020 No.	2020 \$'000	2019 No.	2019 \$'000
The number of consultancies and the dollar amount paid/payable (included in <i>Supplies and services</i> expense) to consultants that fell within the following bands:				
Below \$10 000	2	13	1	6
Above \$10 000	2	50	-	-
Total paid/payable to the consultants engaged	4	63	1	6

Resources provided free of charge

Resources provided free of charge amounted to \$13 000 (2019: \$15 000) and were expensed at fair value in *Contract of services* expense. The resources provided relate to payroll services provided by Shared Services SA as the Commission is a non-billable client.

3.2 Depreciation and amortisation

	2020 \$'000	2019 \$'000
Leasehold improvements	239	9
Plant and equipment	85	97
Right-of-use motor vehicles	13	-
Intangible assets - Purchased computer software	125	124
Intangible assets - Internally developed computer software	204	173
Total depreciation and amortisation	666	403

Electoral Commission of South Australia

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Leasehold improvements	3 - 10
Plant and equipment	3 - 10
Right-of-use motor vehicles	3
Intangible assets	3 - 5

Review of accounting estimates

Asset's residual values, useful life and depreciation/amortisation periods and methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

3.3 Other expenses

	2020	2019
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	31	46
Total other expenses	31	46

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act*. No other services were provided by the Auditor-General's Department.

4. Income

Key sources of funding for the Commission's programs are:

- Parliamentary electoral services and recurrent operations funded by appropriations from the Department of Treasury and Finance.
- Non-parliamentary electoral services conducted on a fee-for-service basis whereby the Commission recovers the cost of conducting elections, providing electoral rolls, conducting representation reviews and other services.

4.1 Appropriations

	2020	2019
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	5 178	4 676
Appropriations from other Acts	146	700
Total appropriations	5 324	5 376

Appropriations are recognised on receipt.

This table does not show appropriations in the form of an equity contribution or a loan.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Commission and the appropriation is recorded as *Contributed capital* in the Statement of Changes in Equity.

No money has been appropriated in the form of a loan.

Total appropriations comprise operational funding and funding for capital projects and annual capital programs.

Electoral Commission of South Australia

In 2020 the original amount appropriated to the Commission under the annual *Appropriation Act* was not varied. However, an additional \$146 000 was appropriated to the Commission on 26 June 2020 from the *Governor's Appropriation Fund* in relation to election modernisation improvements approved by Cabinet.

In 2019 the original amount appropriated to the Commission under the annual *Appropriation Act* was not varied. However, an additional \$700 000 was appropriated to the Commission on 26 February 2019 from the *Governor's Appropriation Fund* in relation to the conduct of by-elections for the Districts of Cheltenham and Enfield in February 2019.

4.2 Sales of goods and services

	2020 \$'000	2019 \$'000
Local government elections	274	6 487
Other local government services	538	498
Industrial elections	33	272
Electoral rolls and maps	17	16
Total sales of goods and services	862	7 273

All revenue from sales of goods and services is revenue recognised from legislated arrangements or contracts with customers.

Local government elections and other services

In accordance with South Australian legislation the Commission is the mandated electoral authority for electoral services for all councils (except Roxby Downs). Elections, electoral rolls, representation reviews and other services are conducted on a fee-for-service basis whereby the Commission recovers the cost of conducting those activities. Revenue is recognised in the period in which the goods are provided or the costs of services are incurred as the Commission's rights to consideration are unconditional. Accrued revenue arises when the election activity concludes after the end of the reporting period.

Payment is due within 30 days of invoicing. No advance payments are received from customers.

Industrial elections

The Commission conducts elections for certain South Australian government bodies (in accordance with their legislation) and non-government organisations. These elections are conducted on a fee-for-service basis whereby the Commission recovers the cost of conducting those activities. Revenue is recognised in the period in which the goods are provided or the costs of services are incurred as the Commission's rights to consideration are unconditional. Accrued revenue arises when the election activity concludes after the end of the reporting period.

Payment is due within 30 days of invoicing. No advance payments are received from customers.

Electoral rolls and maps

Revenue from the provision of electoral rolls and sale of maps is recognised when the Commission provides these products to the customer. Delivery of electoral rolls occurs when they are electronically forwarded to the customer. Maps are delivered to customers through the post or can be collected from the Commission's office. Payment is due within 30 days of delivery.

Accrued revenue

Accrued revenue relates to the Commission's unconditional rights to consideration for work performed but not yet billed at the reporting date on all local government elections and other services and all industrial elections.

Accrued revenue is included in Note 6.2 *Receivables*.

Electoral Commission of South Australia

4.3 Fees and charges

	2020 \$'000	2019 \$'000
Fees and charges	-	3
Total revenues from fees and charges	-	3

The Commission is responsible for registration of political parties under the *Electoral Act*. The Act sets out the fees associated with registration. The registration fees are recognised when received. During the conduct of a parliamentary election, candidates must pay a deposit when nominating for that election in accordance with the *Electoral Act*. The deposit is refundable after the election on certain conditions prescribed in the *Electoral Act*. Deposits that are not refundable are forfeited to the Commission and are recognised as income at that time.

4.4 Resources received free of charge

	2020 \$'000	2019 \$'000
Payroll services received free of charge from Shared Services SA	13	15
Contributed asset (leasehold improvement) received free of charge from DPTI	670	-
Total resources received free of charge	683	15

Contributions of services or assets are recognised only when a fair value can be determined reliably and the services or assets would have been purchased if they had not been donated.

Payroll services

Resources received free of charge relate to payroll services being provided free of charge by Shared Services SA. A corresponding expense has been recognised in Note 3.1 *Supplies and services* expense.

Contributed asset

The contributed asset received free of charge relates to office renovations provided free of charge by DPTI. A corresponding asset has been recognised in Note 5.1 *Property, plant and equipment*.

5. Non-financial assets

The key assets employed by the Commission to deliver its programs relate to the election management and operating systems, which are underpinned by the Commission's head office premises and supporting equipment.

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5.1 Property, plant and equipment

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets.

	2020 \$'000	2019 \$'000
<u>Leasehold improvements</u>		
Leasehold improvements at cost	1 211	896
Leasehold improvements - Work in progress	-	524
Accumulated amortisation at the end of the period	(253)	(893)
Total leasehold improvements	958	527
<u>Plant and equipment</u>		
Plant and equipment at cost	1 356	1 375
Accumulated depreciation at the end of the period	(1 241)	(1 189)
Total plant and equipment	115	186
<u>Right-of-use motor vehicles</u>		
Right-of-use motor vehicles at cost	14	-
Accumulated depreciation at the end of the period	(13)	-
Total right-of-use motor vehicles	1	-
Total property, plant and equipment	1 074	713

Property, plant and equipment owned by the Commission

Property, plant and equipment owned by the Commission with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Commission is recorded at fair value. Details about the Commission's approach to fair value is set out in Note 11.2.

The Commission's head office tenancy commenced on 1 July 2018 and included an incentive towards fit-out. *Leasehold improvements - Work in progress* reflects the capital improvements provided as an office accommodation incentive at the end of the reporting period. A corresponding liability was recognised in Note 7.4 *Other liabilities*.

Right-of-use motor vehicles leased by the Commission

Right-of-use motor vehicles leased by the Commission are recorded at cost. Right-of-use motor vehicles were initially capitalised on 1 July 2019 in accordance with AASB 16 *Leases*.

The Commission has two motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms are for 3 years or up to 60 000 km. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use motor vehicles are disclosed in Note 7.2. The Commission's maturity analysis of its lease liabilities is disclosed in Note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in Note 3. Cash outflows related to leases are disclosed in Note 8.1.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in Note 3.1.

Impairment

Property, plant and equipment owned by the Commission has not been assessed for impairment as they are non-cash generating assets that are specialised in nature and held for continual use of their service capacity.

Right-of-use motor vehicles leased by the Commission have been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

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Reconciliation 2019-20

	Leasehold improve- ments \$'000	Plant and equipment \$'000	Right-of- use motor vehicles \$'000	Tangible assets total \$'000
Carrying amount at the beginning of the period	527	186	-	713
Acquisitions	-	14	-	14
Contributed asset (from DPTI)	670	-	-	670
Initial capitalisation at the beginning of the period	-	-	14	14
Depreciation & amortisation	(239)	(85)	(13)	(337)
Carrying amount at the end of the period	958	115	1	1 074

5.2 Intangible assets

	2020 \$'000	2019 \$'000
<u>Purchased computer software</u>		
Purchased computer software	604	604
Accumulated amortisation at the end of the period	(412)	(287)
Total purchased computer software	192	317
<u>Internally developed computer software</u>		
Internally developed computer software	1 022	1 022
Internally developed computer software - Work in progress	22	-
Accumulated amortisation at the end of the period	(410)	(206)
Total internally developed computer software	634	816
Total intangible assets	826	1 133

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

The purchased computer software relates to the Commission's funding and disclosure operating portal and other election-related software.

The internally developed computer software relates to the Commission's State and Local Government elections management systems.

Reconciliation 2019-20

	Purchased computer software \$'000	Internally developed computer software \$'000	Intangible assets total \$'000
Carrying amount at the beginning of the period	317	816	1 133
Acquisitions	-	22	22
Amortisation	(125)	(204)	(329)
Carrying amount at the end of the period	192	634	826

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6. Financial assets

6.1 Cash and cash equivalents

	2020 \$'000	2019 \$'000
Deposits with the Treasurer	3 734	3 437
Imprest account/cash on hand	1	1
Total cash and cash equivalents	3 735	3 438

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act*. Special deposit accounts must be used in accordance with their approved purpose.

The Commission has two deposit accounts with the Treasurer:

- a general operating account; and
- an Accrual Appropriation Excess Funds Account.

Although the Commission controls the money in the Accrual Appropriation Account, its use must be approved by the Treasurer. The Commission does not earn interest on its deposits with the Treasurer.

6.2 Receivables

	2020 \$'000	2019 \$'000
Current		
Receivables	43	70
Accrued revenues	18	-
Prepayments	99	80
GST recoverable	62	52
Total current receivables	222	202

Receivables arise in the normal course of providing goods and services to local government, other South Australian government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice.

Receivables, prepayments and any accrued revenues are non-interest bearing.

Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Accrued revenue relates to the Commission's unconditional rights to consideration for work performed but not yet billed at the reporting date on all local government elections and other services and all industrial elections.

The net amount of GST payable to the ATO is included as part of receivables.

No allowance for impairment loss on receivables is presently required.

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7. Liabilities

Employee benefits liabilities are disclosed in Note 2.4.

7.1 Payables

	2020 \$'000	2019 \$'000
<u>Current</u>		
Trade payables	100	320
Accrued expenses	116	120
Employment on-costs	44	48
Total current payables	260	488
<u>Non-current</u>		
Employment on-costs	28	28
Total non-current payables	28	28
Total payables	288	516

Payables and accruals are raised for all amounts owing but unpaid. Payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The Commission makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board or externally managed superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2019 rate (41%) to 42% in 2020 and the average factor for the calculation of employer superannuation cost on-costs has remained unchanged from the 2019 rate (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

7.2 Financial liabilities

	2020 \$'000	2019 \$'000
<u>Current</u>		
Lease liabilities - Right-of-use motor vehicles	1	-
Total current financial liabilities	1	-

The Commission measures financial liabilities at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above. For 2018-19 no lease liabilities are reflected as there were no finance leases recognised in accordance with AASB 117 *Leases*.

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7.3 Provisions

	2020 \$'000	2019 \$'000
<u>Current</u>		
Provision for Workers Compensation	13	12
Total current provisions	13	12
<u>Non-current</u>		
Provision for Workers Compensation	18	15
Total non-current provisions	18	15
Total provisions	31	27
<i>Movement in provisions</i>		
Carrying amount at the beginning of the period	27	25
Increase/(decrease) in provisions recognised	4	2
Carrying amount at the end of the period	31	27

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Commission is responsible for the payment of workers compensation claims.

7.4 Other liabilities

	2020 \$'000	2019 \$'000
<u>Current</u>		
Office accommodation incentive	105	105
Total current other liabilities	105	105
<u>Non-current</u>		
Office accommodation incentive	315	419
Total non-current other liabilities	315	419
Total other liabilities	420	524

The Commission's office accommodation is provided through DPTI and included an incentive towards fit-out. The office accommodation incentive liability at the end of the reporting period reflects the unamortised balance of the incentive. A corresponding asset has been recognised in Note 5.1 *Property, plant and equipment (Leasehold improvements)*.

8. Other disclosures

8.1 Cash flow

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Right-of-use motor vehicles leases

	2020 \$'000	2019 \$'000
Right-of-use motor vehicles leases	14	-
Total cash outflow for leases	14	-

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Total cash outflow for leases represents the value of lease repayments and interest paid on lease liabilities. Motor vehicle running costs are separately recorded in cash outflows used in operating activities. The interest paid on lease liabilities was less than \$500 in 2020.

9. Changes in accounting policy

9.1 AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. AASB 16 *Leases* replaces AASB 117 *Leases* and related interpretations. The adoption of AASB 16 *Leases* from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 *Leases* only required the recognition of an asset and lease liability in relation to finance leases. The Commission had no finance leases. AASB 16 *Leases* applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position.
- AASB 117 *Leases* resulted in operating lease payments being recognised as an expense under *Supplies and services*. AASB 16 *Leases* largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

There was no impact on the Commission's retained earnings as at 1 July 2019. The right-of-use motor vehicles assets recorded in *Property, plant and equipment* were the same as the lease liabilities recorded in *Financial liabilities*.

Accommodation services

The Commission has accommodation services provided by DPTI under a Memorandum of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies.

The Department of Treasury and Finance has determined that these MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB 117. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$nil under AASB 117 and those commitments disclosed as *Operating expenditure commitments*.

Commitments related to accommodation services provided by DPTI are included in Note 10.1.

The misclassification did not impact on the Statement of Comprehensive Income or the Statement of Financial Position in prior years.

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The *Treasurer's Instructions (Accounting Policy Statements)* requires certain choices in those transitional provisions to be taken. The Commission has adopted the following accounting policies:

- To apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- At 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations or met the requirements under AASB 16.
- The initial measurement of lease liability was the present value of the remaining leases payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 3.13%.
- The initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- The initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

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Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Commission's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- Right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- The Commission, in the capacity of a lessee, does not include non-lease components in lease amounts.
- Right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- Right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies related to the application of AASB 16 are disclosed under relevant notes and are referenced at Note 5.1.

9.2 AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Accounting policies on transition

The Commission has adopted AASB 15 on 1 July 2019.

On transition there was no impact on the Commission's retained earnings.

The *Treasurer's Instructions (Accounting Policy Statements)* require certain choices in those transitional provisions to be taken. The Commission has on transition:

- Not recognised the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as at 1 July 2019 as it was immaterial. The comparative information has not been restated.
- Not needed to adopt the completed contract expedient as there was no revenue which was fully recognised in previous years in accordance with the former revenue and income accounting standards that required different recognition under AASB 15.
- Elected not to restate retrospectively contracts for modifications that occurred before 1 July 2019 as there were no such modifications.

Impacts on the financial statements are explained below.

Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify requirements for public authorities in applying AASB 15. These requirements are reflected in the Commission's accounting policies as follows:

- AASB 15 is applied to a portfolio of contracts with similar characteristics.
- There is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- The incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the Commission would have recognised is one year or less.
- For measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the Commission's performance completed to date.

Significant accounting policies related to the application of AASB 15 are disclosed under relevant notes.

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9.3 AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

The Commission has adopted AASB 1058 on 1 July 2019.

On transition there was no impact on the Commission's retained earnings.

AASB 1058 is not presently applicable to the Commission's activities.

There was no impact on the financial statements from adoption of AASB 1058 *Income of Not-for-Profit Entities*.

9.4 Effects on financial statements from AASB 15

The following tables show the effect of adopting AASB 15 on the Commission's financial statements for the year ending 30 June 2020.

	As reported \$'000	Adjustments AASB 15 \$'000	Balances without adoption of AASB 15 \$'000
Statement of Comprehensive Income			
<i>for the year ended 30 June 2020</i>			
Income			
Sales of goods and services	862	862	-
Fees and charges	-	(862)	862
Sub-total: Income items effected	862	-	862

The adoption of AASB 15 resulted in the new disclosure *Sales of goods and services* and the reclassification of revenue from *Fees and charges* in the financial statements for the year ending 30 June 2020. The amounts reported for the year ended 30 June 2019 have also been reclassified for comparative purposes.

9.5 Presentation of financial statements

Treasurer's Instructions (Accounting Policy Statements) effective from 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Commission. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

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10. Outlook

10.1 Unrecognised contractual commitments

Commitments include operating, capital and statutory arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Capital commitments

There were no commitments for capital expenditure at the reporting date.

Operating expenditure commitments

	2020	2019
	\$'000	\$'000
Within one year	484	465
Later than one year and not longer than five years	2 047	1 999
Later than five years	1 575	2 099
Total operating expenditure commitments	4 106	4 563

The Commission's operating expenditure commitments are for:

- Memoranda of administrative arrangements with DPTI for office accommodation, including common cleaning costs and administration fees. The MoAAs are non-cancellable. The MoAA for the head office accommodation commenced on 1 July 2018 and is for an initial term of 6 years with a right of renewal. The processing centre short-term lease expired on 31 January 2019.
- Unfilled purchase orders at the reporting date.

Right-of-use motor vehicle lease expenditure commitments

As at 30 June 2020 the Commission had two motor vehicle leases with SAFA which will expire in August 2020. Replacement vehicles were ordered in June 2020 for delivery in August 2020. The Commission is committed to the lease of the replacement vehicles over 3 years or up to 60 000 km. The two replacement vehicles will be capitalised upon delivery and corresponding lease liabilities recorded in accordance with AASB 16 *Leases*.

10.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of note and, if quantifiable, are measured at nominal value.

The Commission is not aware of any contingent assets or liabilities.

10.3 COVID-19 pandemic outlook for the Commission

The COVID-19 pandemic will continue to impact the operations of the Commission in 2020-21. The key expected impacts are:

- Electoral services that were previously conducted at councils, such as candidate briefings, scrutiny and count activities, will continue to be presented online and/or with suitable social distancing measures.
- Conduct of the APY Executive Board elections deferred by the Premier for 12 months from the scheduled scrutiny and count in August 2020 to re-commence preparations later in 2020-21.
- Increased cleaning and sanitation arrangements and costs.

10.4 Events after the reporting period

No events have occurred between 30 June and the date the financial statements are authorised that may have a material impact on the results of subsequent years.

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11. Measurement and risk

11.1 Long service leave liability - measurement

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2019 (1.25%) to 2020 (0.75%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance reduced the salary inflation rate for long service leave liabilities from 2019 (4%) to 2020 (2.5%). The decrease in the salary inflation rate results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a net decrease in the long service leave liability and employee benefits expense of \$45 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The portion of long service leave classified as current reflects the Commission's average annual payments of the liability in recent years.

11.2 Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value as part of a transfer from a public authority, then the assets are recognised at the amount recorded by the transferor public authority.

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

11.3 Financial instruments

Financial risk management

Risk management is managed by the Commission and the Risk and Performance Committee. The Commission's Risk Management Framework is in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

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The Commission's exposure to financial risk (liquidity, credit and market) is insignificant based on the nature of the financial instruments held, past experience and current assessment of risk.

Impairment of financial assets

The Commission has no expected credit losses, no impairment losses and no receivables or contract assets written off.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

Classification of financial instruments

The Commission measures all financial instruments at amortised cost.

Contractual maturities for all financial assets and financial liabilities are within one year.

Category of financial asset and financial liability

	2020 Carrying amount/ Fair value \$'000	2020 Contractual maturities Within 1 year \$'000	1-5 Years \$'000	More than 5 years \$'000
Financial assets				
Cash and cash equivalents	3 735	3 735	-	-
Financial assets at amortised cost: Receivables	-	-	-	-
Total financial assets	3 735	3 735	-	-
Financial liabilities				
Financial liabilities at amortised cost:				
Payables	98	98	-	-
Lease liabilities - Right-of-use motor vehicles	1	1	-	-
Total financial liabilities	99	99	-	-

For 2018-19, no lease liabilities are reflected as there were no finance leases recognised in accordance with AASB 117 *Leases*.

Receivables and payables shown in the category of financial asset and financial liability table

The receivable and payable amounts disclosed in the category table exclude amounts relating to statutory receivables and payables from Commonwealth, State and Local Government entities in relation to taxes (including income tax, GST, fringe benefits tax and payroll tax), fees and any other charges (including Auditor-General's Department audit fees). Receivables and payables from/to government entities may have their source in legislation (e.g. levies, taxes and tax equivalents) and may not be contractual in nature, resulting in their exclusion from disclosure in the category table. The receivables amount excludes prepayments as they are not financial assets.

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Administered Items

Administered Financial Statements

Statement of Administered Comprehensive Income

for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
<u>Administered income</u>		
Revenues from SA Government	1 184	1 005
Fees and charges	390	769
Interest	3	5
Total administered income	1 577	1 779
<u>Administered expenses</u>		
Employee benefits expenses	474	511
Supplies and services	491	500
Payments to consolidated account	390	769
Total administered expenses	1 355	1 780
Net result	222	(1)
Total comprehensive result	222	(1)

The accompanying notes form part of these financial statements.

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Statement of Administered Financial Position

as at 30 June 2020

	2020 \$'000	2019 \$'000
<u>Administered current assets</u>		
Cash and cash equivalents	510	295
Receivables	343	353
Total administered current assets	853	648
Total administered assets	853	648
<u>Administered current liabilities</u>		
Payables	33	47
Employee benefits	86	88
Total administered current liabilities	119	135
<u>Administered non-current liabilities</u>		
Payables	13	13
Employee benefits	215	216
Total administered non-current liabilities	228	229
Total administered liabilities	347	364
Net administered assets	506	284
<u>Administered equity</u>		
Accumulated surplus	506	284
Total administered equity	506	284

The accompanying notes form part of these financial statements.

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Statement of Administered Cash Flows

for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Receipts from SA Government	1 187	962
Fees and charges	398	746
Interest received	3	5
GST recovered from the ATO	7	-
Cash generated from operations	1 595	1 713
<i>Cash outflows</i>		
Employee benefits payments	(477)	(468)
Payments for supplies and services	(505)	(494)
Payments to consolidated account	(398)	(746)
Cash used in operations	(1 380)	(1 708)
Net cash provided by/(used in) operating activities	215	5
Net increase/(decrease) in cash and cash equivalents	215	5
Cash and cash equivalents at beginning of the period	295	290
Cash and cash equivalents at the end of the period	510	295

The accompanying notes form part of these financial statements.

Schedule of Income and Expenses Attributable to Administered Activities

for the year ended 30 June 2020

	Electoral Districts Boundaries Commission		Special Acts		Other		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered income								
Revenues from SA Government	303	-	474	511	407	494	1 184	1 005
Fees and charges	-	-	-	-	390	769	390	769
Interest	3	5	-	-	-	-	3	5
Total administered	306	5	474	511	797	1 263	1 577	1 779
Administered expenses								
Employee benefits expenses	-	-	474	511	-	-	474	511
Supplies and services	84	6	-	-	407	494	491	500
Payments to consolidated account	-	-	-	-	390	769	390	769
Total administered	84	6	474	511	797	1 263	1 355	1 780
Net result	222	(1)	-	-	-	-	222	(1)

Electoral Commission of South Australia

Notes to Administered Financial Statements

A1 Basis of preparation and accounting policies

The basis of preparation for the administered financial statements is the same as the basis outlined in Note 1.1 for the Commission. The Commission applies the same accounting policies to the administered financial statements as set out in the notes to the Commission's financial statements.

A2 Objectives/activities of the Commission's Administered Items

The Commission administers, but does not control, certain resources on behalf of the SA Government. The Commission is accountable for the transactions involving these administered items, but does not have any discretion to deploy resources for achievement of its objectives. For these items, the Commission acts only on behalf of the SA Government.

There are three administered items namely:

- **Electoral Districts Boundaries Commission**

The Commission administers the receipts and payments of the Electoral Districts Boundaries Commission.

- **Special Acts**

The Electoral Commissioner and Deputy Electoral Commissioner are appointed as statutory officers pursuant to the provisions of the *Electoral Act*. The Commission receives a separate appropriation for the payment of salaries and allowances for statutory officers which is an administered item.

- **Other**

Other includes administered revenue which is collected on behalf of other government agencies and forwarded to them when received. Administered income (*Fees and charges*) comprises non-voter expiation fees received as provided in the *Electoral Act*. Administered expenses includes the payment of expiation fees received into consolidated account.

Other also includes payments provided in the *Electoral Act* for Special Assistance Funding claims for reimbursement of administrative costs incurred by registered political parties with parliamentary representation and for payment of Public Funding claims for election campaigns for registered political parties and candidates.

A3 Remuneration of Statutory Officers employed pursuant to the Electoral Act

	2020	2019
	No.	No.
The number of statutory officers whose remuneration received or receivable falls within the following bands:		
\$214 001 to \$234 000	1	1
\$274 001 to \$294 000	1	1
Total	2	2

The table includes all statutory officers who received remuneration during the year.

Remuneration for statutory officers reflects all costs of employment including salaries, allowances, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Salaries, superannuation contributions and salary sacrifice benefits were paid from Administered Items and allowances, fringe benefits and any fringe benefits tax were paid by the Commission.

The total remuneration received by these statutory officers for the year was \$511 000 (2019: \$503 000).

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A4 Budget performance of Administered Items

		Original Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
Statement of Comprehensive Income				
<u>Administered income</u>				
Revenues from SA Government		1 276	1 184	(92)
Fees and charges	(1)	-	390	390
Interest		-	3	3
Total administered income		1 276	1 577	301
<u>Administered expenses</u>				
Employee benefits expenses	(2)	576	474	(102)
Supplies and services	(3)	700	491	(209)
Payments to consolidated account	(1)	-	390	390
Total administered expenses		1 276	1 355	79
Net result		-	222	222

Administered investing expenditure

There was no budgeted or actual administered investing expenditure in the year ended 30 June 2020.

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- (1) Expiation fees received from electors that failed to vote at the State Election or during parliamentary by-elections are not included in budget estimates. Receipts amounted to \$390 000 in 2019-20 and were remitted to consolidated account.
- (2) Employee benefits expenses for the Electoral Districts Boundaries Commission were \$87 000 lower due to lower activity in 2019-20 and Statutory Officers' salaries paid were also slightly lower (\$15 000).
- (3) Expenses for the Electoral Districts Boundaries Commission were \$132 000 lower due to reduced activities in 2019-20 and Special Assistance Funding claims paid to qualifying political parties were \$77 000 lower due to some parties not claiming the maximum amount.