

Electoral Commission of South Australia

Financial report
for the year ended
30 June 2019



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To the Electoral Commissioner Electoral Commission of South Australia

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 2019.

Opinion

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 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2019
- a Statement of Administered Financial Position as at 30 June 2019
- a Statement of Administered Cash Flows for the year ended 30 June 2019
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2019
- 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* have been met.

I believe that the audit evidence 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 the 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

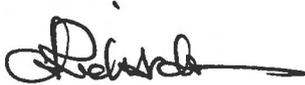
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

26 September 2019

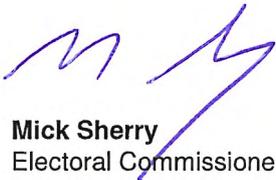
Electoral Commission of South Australia

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 2019) and the result of its operations and cash flows for the financial year ended 30 June 2019.

- 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: 26 September 2019

Electoral Commission of South Australia

Statement of Comprehensive Income

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<u>Expenses</u>			
Employee benefits expenses	2.3	5 377	11 026
Supplies and services	3.1	7 291	10 918
Depreciation and amortisation expense	3.2	403	247
Other expenses	3.3	46	44
Total expenses		13 117	22 235
<u>Income</u>			
Fees and charges	4.2	7 276	880
Resources received free of charge	4.3	15	14
Other income		6	32
Total income		7 297	926
Net cost of providing services		(5 820)	(21 309)
<u>Revenues from SA Government</u>			
Revenues from SA Government	4.1	5 376	21 183
Net result		(444)	(126)
Total comprehensive result		(444)	(126)

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 2019

	Note	2019 \$'000	2018 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	3 438	3 654
Receivables	6.2	202	409
Total current assets		3 640	4 063
<u>Non-current assets</u>			
Plant and equipment	5.1	713	251
Intangible assets	5.2	1 133	1 231
Total non-current assets		1 846	1 482
Total assets		5 486	5 545
<u>Current liabilities</u>			
Payables	7.1	488	688
Employee benefits	2.4	420	340
Provisions	7.2	12	13
Other current liabilities	7.3	105	-
Total current liabilities		1 025	1 041
<u>Non-current liabilities</u>			
Payables	7.1	28	30
Employee benefits	2.4	463	482
Provisions	7.2	15	12
Other non-current liabilities	7.3	419	-
Total non-current liabilities		925	524
Total liabilities		1 950	1 565
Net assets		3 536	3 980
<u>Equity</u>			
Contributed capital		1 558	1 558
Retained earnings		1 978	2 422
Total equity		3 536	3 980

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 2019

	Contributed capital	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 30 June 2017	1 558	2 548	4 106
Net result for 2017-18 and Total comprehensive result for 2017-18	-	(126)	(126)
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

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 2019

	Note	2019 \$'000	2018 \$'000
<u>Cash flows from operating activities</u>			
<i>Cash outflows</i>			
Employee benefits payments		(5 354)	(10 884)
Payments for supplies and services		(8 177)	(11 653)
Other payments		(46)	(44)
Cash used in operations		(13 577)	(22 581)
<i>Cash inflows</i>			
Fees and charges		8 218	716
GST recovered from the ATO (net of payments)	8.1	19	1 092
Other receipts		6	32
Cash generated from operations		8 243	1 840
Cash flows from SA Government			
Receipts from SA Government		5 376	21 183
Cash generated from SA Government		5 376	21 183
Net cash provided by operating activities		42	442
<u>Cash flows from investing activities</u>			
<i>Cash outflows</i>			
Purchase of plant and equipment		(44)	(142)
Purchase of intangible assets		(214)	(1 160)
Net cash used in investing activities		(258)	(1 302)
Net increase/(decrease) in cash and cash equivalents		(216)	(860)
Cash and cash equivalents at the beginning of the period		3 654	4 514
Cash and cash equivalents at the end of the period	6.1	3 438	3 654
<i>Non-cash transactions</i>			
Resources received free of charge - Shared Services SA payroll services	4.3	15	14
Leasehold improvements - work in progress	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 2018-19 financial statements the Commission adopted AASB 9 *Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. 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;
- maintain 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;
- provide information to organisations seeking advice on electoral matters;
- support for council boundary representation reviews.

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

Expenses and income by program <i>for the year ended 30 June 2019</i>	Parliamentary Electoral Services		Non-Parliamentary Electoral Services		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Expenses						
Employee benefits expenses	2 861	10 741	2 516	285	5 377	11 026
Supplies and services	2 982	10 740	4 309	178	7 291	10 918
Depreciation and amortisation expense	403	247	-	-	403	247
Other expenses	46	44	-	-	46	44
Total expenses	6 292	21 772	6 825	463	13 117	22 235
Income						
Fees and charges	19	125	7 257	755	7 276	880
Resources received free of charge	15	14	-	-	15	14
Other income	6	32	-	-	6	32
Total income	40	171	7 257	755	7 297	926
Net cost of providing services	(6 252)	(21 601)	432	292	(5 820)	(21 309)
Revenues from SA Government						
Revenues from SA Government	5 376	21 183	-	-	5 376	21 183
Net result	(876)	(418)	432	292	(444)	(126)

Electoral Commission of South Australia

Assets and liabilities by program <i>as at 30 June 2019</i>	Parliamentary Electoral Services		Non-Parliamentary Electoral Services		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	3 438	3 654	-	-	3 438	3 654
Receivables	195	173	7	236	202	409
Plant and equipment	713	251	-	-	713	251
Intangible assets	1 133	1 231	-	-	1 133	1 231
Total assets	5 479	5 309	7	236	5 486	5 545
Liabilities						
Payables	509	698	7	20	516	718
Employee benefits	879	818	4	4	883	822
Provisions	27	25	-	-	27	25
Other liabilities	524	-	-	-	524	-
Total liabilities	1 939	1 541	11	24	1 950	1 565
Net assets	3 540	3 768	(4)	212	3 536	3 980

1.3 Budget performance

The budget performance table compares the Commission's outcomes against budget information presented to Parliament (2018-19 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		Original Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000
	Ref.			
Expenses				
Employee benefits expenses	(1)	3 848	5 377	1 529
Supplies and services	(1)	5 854	7 291	1 437
Depreciation and amortisation expense	(2)	534	403	(131)
Other expenses		33	46	13
Total expenses		10 269	13 117	2 848
Income				
Fees and charges	(3)	5 432	7 276	1 844
Resources received free of charge	(2)	470	15	(455)
Other income		-	6	6
Total income		5 902	7 297	1 395
Net cost of providing services		(4 367)	(5 820)	(1 453)
Revenues from SA Government				
Revenues from SA Government	(4)	4 676	5 376	700
Net result		309	(444)	(753)
Total comprehensive result		309	(444)	(753)

Electoral Commission of South Australia

Investing expenditure summary	Ref.	Original	Actual	Variance
		Budget 2019 \$'000	2019 \$'000	2019 \$'000
Office fit-out asset received free of charge from DPTI	(2)	630	-	(630)
Total existing projects	(5)	-	199	199
Total annual programs		50	44	(6)
Total investing expenditure		680	243	(437)

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) Both *Employee benefits expenses* and *Supplies and services* were higher than the original budget due to:
 - higher cost of conducting Local Government periodic elections (\$1.7 million);
 - unbudgeted cost of conducting the Super SA board elections (\$0.3 million); and
 - cost of conducting by-elections in Cheltenham and Enfield (\$0.7 million);
- (2) Office renovations commenced in 2018-19 following renewal of the head office lease from 1 July 2018. The original budget for the addition to leasehold improvements of \$1.1 million was funded by a lease incentive from the building owner (\$630 000) and a contributed asset from the Department of Planning, Transport and Infrastructure (DPTI) (\$470 000). No expenditure has been made by the Commission. The office fit-out asset has not been transferred from DPTI as the fit-out was not completed as at 30 June 2019. As a result:
 - No *Depreciation expense* has been recorded in 2018-19.
 - The contributed asset from DPTI has not been recorded as *Income - Resources received free of charge* in the Statement of Comprehensive Income.
 - The contributed asset from DPTI has not been recorded as *Plant and equipment - Leasehold improvements* in the Statement of Financial Position.

Note that the lease incentive provided by the building owner is not included in the budgeted investing expenditure summary. A *Leasehold improvements - Work in progress* asset and corresponding liability (lease incentive) has been recorded.

- (3) *Fees and charges* income was higher than original budget largely due to recovery from councils of the additional costs incurred for the conduct of Local Government periodic elections.
- (4) Additional appropriation of \$700 000 was provided by the SA Government for the conduct of the Cheltenham and Enfield by-elections in February 2019.
- (5) Existing projects investing expenditure budget of \$71 000 for State election management systems was deferred from 2017-18 and carried forward to 2018-19. In addition, Local Government election management systems costing \$128 000 were developed and implemented in 2018-19. The combined effect of these items was an overspend against the original budget of \$199 000. Note that the cost of the Local Government election management systems has been recovered from councils in accordance with the *Local Government (Elections) Act 1999*.

1.4 Significant transactions with government related entities

Significant transactions with the SA Government entities are identifiable in the financial report and include:

- *Rental accommodation services* provided by the DPTI of \$657 000 (see Note 3.1).
- Total appropriation funding received from the Department of Treasury and Finance of \$5.376 million (see Note 4.1).

In addition, the Commission contributes a share of the cost of maintaining the electoral roll for South Australia under the joint roll arrangement with the Australian Electoral Commission, an agency of the Commonwealth Government. *Production and maintenance of electoral rolls* amounted to \$1.031 million in the current reporting period (see Note 3.1).

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 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 2019 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

	2019	2018
	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	-
Total number of members	3	-

In accordance with the Premier and Cabinet Circular No. 016, two members of the Committee - the Commission and government employees - did not receive any remuneration for committee duties during the financial year.

The total remuneration received or receivable by members was \$6 000 (2018: \$nil). Remuneration of members reflects set-up and sitting fees only.

2.3 Employee benefits expenses

	2019	2018
	\$'000	\$'000
Salaries and wages	4 345	9 417
Long service leave	141	41
Annual leave	179	197
Skills and experience retention leave	2	2
Employment on-costs - superannuation	390	834
Employment on-costs - payroll tax	250	519
Committee fees	6	-
Workers compensation	16	(25)
Other employee related expenses	48	41
Total employee benefits expenses	5 377	11 026

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

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Accrued salaries and wages	48	67
Annual leave	265	227
Long service leave	96	37
Skills and experience retention leave	11	9
Total current employee benefits	420	340
<u>Non-current</u>		
Long service leave	463	482
Total non-current employee benefits	463	482
Total employee benefits	883	822

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 rental costs from 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

	2019 \$'000	2018 \$'000
Rental accommodation services	763	1 303
Advertising	811	1 366
Production and maintenance of electoral rolls	1 031	999
Printing and stationery	1 050	1 346
Postage	2 116	1 569
Communications and information technology	426	607
Distribution, storage and hire rental	235	674
Training and development	36	43
Consultants	6	17
Travel	48	220
Contract employees and related expenses	274	495
Contract of services	102	1 155
Other	393	1 124
Total supplies and services	7 291	10 918

Operating lease payments

Operating lease payments are included in *Rental accommodation services* (premises) and *Other* (motor vehicles). Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

Consultants

	No.	2019 \$'000	No.	2018 \$'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	1	6	1	4
Above \$10 000	-	-	1	13
Total paid/payable to the consultants engaged	1	6	2	17

Resources provided free of charge

Resources provided free of charge amounted to \$15 000 (2018: \$14 000) 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

	2019 \$'000	2018 \$'000
Plant and equipment	97	74
Leasehold improvements	9	107
Intangible assets - Purchased computer software	124	34
Intangible assets - Internally developed computer software	173	32
Total depreciation and amortisation	403	247

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.

Electoral Commission of South Australia

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.

Useful life

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets:

Class of asset	Useful life (years)
Plant and equipment	2 - 10
Leasehold improvements	3 - 10
Intangible assets	3 - 5

3.3 Other expenses

	2019	2018
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	46	44
Total other expenses	46	44

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 appropriation 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 Revenues from SA Government

	2019	2018
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	5 376	20 673
Transfers from contingency provisions	-	510
Total revenues from SA Government	5 376	21 183

Appropriations

Appropriations are recognised on receipt.

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*.

All revenues from SA Government in 2018-19 and 2017-18 were for operational funding. The original amount appropriated to the Commission under the annual *Appropriation Act* was not varied however an additional amount of \$700 000 was received from the Treasurer via the *Governor's Appropriation Fund* in relation to the conduct of by-elections for the Districts of Cheltenham and Enfield in February 2019.

Electoral Commission of South Australia

4.2 Fees and charges

	2019	2018
	\$'000	\$'000
Local government elections	6 487	266
Other local government services	498	487
Industrial elections	272	2
User fees and charges	19	125
Total revenues from fees and charges	7 276	880

4.3 Resources received free of charge

	2019	2018
	\$'000	\$'000
Payroll services received free of charge from Shared Services SA	15	14
Total resources received free of charge	15	14

Resources received free of charge relate to payroll services being provided free of charge by Shared Services SA. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. A corresponding expense has been recognised in Note 3.1 *Supplies and services* expense.

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.

5.1 Plant and equipment

	2019	2018
	\$'000	\$'000
<u>Plant and equipment</u>		
Plant and equipment	1 407	1 498
Accumulated depreciation at the end of the period	(1 221)	(1 259)
Total plant and equipment	186	239
<u>Leasehold improvements</u>		
Leasehold improvements	896	921
Accumulated amortisation at the end of the period	(893)	(909)
Total leasehold improvements	3	12
<u>Leasehold improvements - Work in progress</u>		
Leasehold improvements - Work in progress	524	-
Total plant and equipment	713	251

Non-current assets with a value equal to or greater than \$1 000 are capitalised.

Plant and equipment is recorded at fair value. The Commission's approach to fair value is set out in Note 11.2.

The Commission's head office lease commenced on 1 July 2018 and included an incentive towards fit-out.

Leasehold improvements - Work in progress reflects the capital improvements provided as a lease incentive at the end of the reporting period. A corresponding liability has been recognised in Note 7.3 *Other liabilities*.

Impairment

Items of plant and equipment have not been assessed for impairment as they are non-cash generating assets, specialised in nature and held for continual use of their service capacity.

Electoral Commission of South Australia

Reconciliation 2018-19

	Plant and equipment \$'000	Leasehold improvements \$'000	Leasehold improvements - Work in progress \$'000	Tangible assets total \$'000
Carrying amount at the beginning of the period	239	12	-	251
Acquisitions	44	-	524	568
Depreciation & amortisation	(97)	(9)	-	(106)
Carrying amount at the end of the period	186	3	524	713

5.2 Intangible assets

	2019 \$'000	2018 \$'000
<u>Purchased computer software</u>		
Purchased computer software	604	636
Accumulated amortisation at the end of the period	(287)	(195)
Total purchased computer software	317	441
<u>Internally developed computer software</u>		
Internally developed computer software	1 022	647
Accumulated amortisation at the end of the period	(206)	(32)
Total internally developed computer software	816	615
<u>Internally developed computer software - Work in progress</u>		
Internally developed computer software - Work in progress	-	175
Total intangible assets	1 133	1 231

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 purchase or internal development of computer 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 \$1 000.

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 2018-19

	Purchased computer software \$'000	Internally developed computer software \$'000	Internally developed computer software - Work in progress \$'000	Intangible assets total \$'000
Carrying amount at the beginning of the period	441	615	175	1 231
Acquisitions	-	199	-	199
Capitalisation	-	175	(175)	-
Amortisation	(124)	(173)	-	(297)
Carrying amount at the end of the period	317	816	-	1 133

Electoral Commission of South Australia

6. Financial assets

6.1 Cash and cash equivalents

	2019 \$'000	2018 \$'000
Deposits with the Treasurer	3 437	3 653
Imprest account/cash on hand	1	1
Total cash and cash equivalents	3 438	3 654

Deposits with the Treasurer

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

	2019 \$'000	2018 \$'000
<u>Current</u>		
Receivables	70	280
Prepayments	80	77
GST recoverable	52	52
Total current receivables	202	409

Receivables arise in the normal course of providing services to local government, other SA 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.

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

7. Liabilities

Employee benefits liabilities are disclosed in Note 2.4.

7.1 Payables

	2019 \$'000	2018 \$'000
<u>Current</u>		
Trade payables	320	414
Accrued expenses	120	188
Employment on-costs	48	86
Total current payables	488	688
<u>Non-current</u>		
Employment on-costs	28	30
Total non-current payables	28	30
Total payables	516	718

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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.

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 remained unchanged from the 2018 rate (41%) and the average factor for the calculation of employer superannuation cost on-costs has changed from the 2018 rate (9.9%) to 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 Provisions

	2019 \$'000	2018 \$'000
<u>Current</u>		
Provision for Workers Compensation	12	13
Total current provisions	12	13
<u>Non-current</u>		
Provision for Workers Compensation	15	12
Total non-current provisions	15	12
Total provisions	27	25
<u>Movement in provisions</u>		
Carrying amount at the beginning of the period	25	54
Increase/(decrease) in provisions recognised	2	(29)
Carrying amount at the end of the period	27	25

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 2019 provided by a consulting actuary engaged through the Office 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.

7.3 Other liabilities

	2019 \$'000	2018 \$'000
<u>Current</u>		
Lease incentive	105	-
Total current other liabilities	105	-
<u>Non-current</u>		
Lease incentive	419	-
Total non-current other liabilities	419	-
Total other liabilities	524	-

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The Commission's office accommodation is leased through DPTI. The head office lease commenced on 1 July 2019 and included an incentive towards fit-out. The lease incentive liability at the end of the reporting period reflects the unamortised balance of the lease incentive. A corresponding asset has been recognised in Note 5.1 *Plant and equipment (Leasehold improvements - Work in progress)*.

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.

9. Changes in accounting policy

9.1 Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are the removal of the additional requirement to report a statement of equity for administered items and the increase in the size of the bands for employee and board and committee member reporting from \$10 000 to \$20 000.

These changes do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective.

9.2 AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaced the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies but required no adjustments to the amounts recognised in financial statements or the disclosure of those amounts.

As part of the adoption of AASB 9, the Commission adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9.

The adoption of AASB 9 has not had an effect on the recognition, measurement or classification of financial liabilities.

There has been no impact on the Commission's retained earnings as at 1 July 2018.

Classification of financial instruments on adoption of AASB 9

On 1 July 2018, the Commission assessed the classification of its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to those assets. No changes in classification were required.

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Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The financial assets of the Commission that are subject to AASB 9's new expected credit loss model are: trade receivables from provision of services.

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Commission has adopted the simplified approach under AASB 9 and measured lifetime expected credit losses on all individual outstanding trade receivables based on objective evidence as a practical expedient to measure the impairment provision. No impairment provision is presently required.

Trade receivables that were classified as receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

10. Outlook

10.1 Unrecognised contractual commitments

Commitments include operating and capital 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

	2019	2018
	\$'000	\$'000
Within one year	25	37
Later than one year and not longer than five years	89	87
Later than five years	97	120
Total operating expenditure commitments	211	244

The Commission's operating expenditure commitments are for unfilled purchase orders at the reporting date and common cleaning costs and administration fees associated with the Commission's office accommodation.

Operating lease commitments

	2019	2018
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	440	427
Later than one year and not longer than five years	1 910	1 849
Later than five years	2 002	2 503
Total operating lease commitments	4 352	4 779

The Commission's operating lease commitments are for office accommodation leased through the DPTI. The leases are non-cancellable. The head office lease 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.

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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 Impact of standards and statements not yet effective

The Commission has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

AASB 16 Leases

The Commission will adopt *AASB 16 Leases* from 1 July 2019.

Objective

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. *AASB 16 Leases* replaces *AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation, and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact on 2019-20 financial statements

The Commission has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. 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 for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Commission has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Commission prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

The estimated impact on the Statement of Financial Position on implementation is set out below.

	as at 1 July 2019
	\$'000
<hr/>	
<u>Assets</u>	
Right-of-use assets	3 466
<u>Liabilities</u>	
Lease liabilities	3 990
Other liabilities (lease incentive liabilities)	(524)
Net impact on equity as at 1 July 2019	<hr/> -

The operating lease to be included in the Statement of Financial Position on application of AASB 16 is the office accommodation leased through the DPTI.

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The leasing for motor vehicles provided by Fleet SA through their agent LeasePlan Australia for the two statutory officers of the Commission ends on or around 30 June 2020. These arrangements will not be transitioned under AASB 16 as they are covered by both the low value and short term recognition exemptions.

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in *Supplies and services* will mostly be replaced with:

- a depreciation expense 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.

The estimated impact on the Statement of Comprehensive Income in 2019-20 is set out below.

	2020 \$'000
Depreciation and amortisation (new - use of right-of-use asset including lease incentive)	385
Borrowing costs (new - interest component of lease payments)	73
Supplies and services (previous operating lease expense)	(440)
Net impact on net cost of providing services in 2019-20	18

The amounts disclosed are current estimates only. The Commission is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* sets out key requirements that the Commission must adopt for the transition from *AASB 117 Leases* to *AASB 16 Leases*. These requirements include that the Commission will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

The *Treasurer's Instructions (Accounting Policy Statements)* also sets out requirements for on-going application. These requirements include that the Commission will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$15 000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair value leases that have significantly below-market terms and conditions principally to enable the Commission to further its objectives, unless they have already been recorded at fair value prior to 1 July 2019.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not for Profit Entities

The Commission will adopt *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not for Profit Entities* from 1 July 2019.

Adoption of AASB 15 and AASB 1058 is expected to have no material impact on the timing of recognition of revenue by the Commission.

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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.

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 2018 (2.5%) to 2019 (1.25%).

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 net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability and employee benefits expense of \$53 000. 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 actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liabilities. As a result, there is no net financial effect resulting from the salary inflation 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

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.

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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*.

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.

Liquidity risk

The Commission is funded principally from appropriation by the SA Government. The Commission works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Impairment of financial assets

The Commission has no expected credit losses, no impairment losses and no receivables 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 applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts of cash and cash equivalents, receivables and financial liabilities were measured at their nominal amount (cost).

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, financial assets and financial liabilities are classified as measured at fair value through profit or loss.

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

Category of financial asset and financial liability

	Carrying amount	
	2019	2018
	\$'000	\$'000
<hr/>		
<u>Financial assets</u>		
Cash and cash equivalents	3 438	3 654
Financial assets at amortised cost: Receivables	-	-
Total financial assets	3 438	3 654
<hr/>		
<u>Financial liabilities</u>		
Financial liabilities at amortised cost: Payables	81	254
Total financial liabilities	81	254
<hr/>		

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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.

Administered Items

Statement of Administered Comprehensive Income

for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
<u>Administered expenses</u>		
Employee benefits expenses	511	554
Supplies and services	500	6 683
Payments to consolidated account	769	20
Total administered expenses	1 780	7 257
<u>Administered income</u>		
Revenues from SA Government	1 005	7 232
Fees and charges	769	20
Interest	5	5
Total administered income	1 779	7 257
Net result	(1)	-
Total comprehensive result	(1)	-

The accompanying notes form part of these financial statements.

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Statement of Administered Financial Position

as at 30 June 2019

	2019 \$'000	2018 \$'000
<u>Administered current assets</u>		
Cash and cash equivalents	295	290
Receivables	353	286
Total administered current assets	648	576
Total administered assets	648	576
<u>Administered current liabilities</u>		
Payables	47	15
Employee benefits	88	69
Total administered current liabilities	135	84
<u>Administered non-current liabilities</u>		
Payables	13	12
Employee benefits	216	195
Total administered non-current liabilities	229	207
Total administered liabilities	364	291
Net administered assets	284	285
<u>Administered equity</u>		
Accumulated surplus	284	285
Total administered equity	284	285

The accompanying notes form part of these financial statements.

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Statement of Administered Cash Flows

for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Cash flows from operating activities		
<i>Cash outflows</i>		
Employee benefits payments	(468)	(489)
Payments for supplies and services	(494)	(6 702)
Payments to consolidated account	(746)	(20)
Cash used in operations	(1 708)	(7 211)
<i>Cash inflows</i>		
Receipts from SA Government	962	7 167
Fees and charges	746	20
Interest received	5	5
GST recovered from the ATO	-	2
Cash generated from operations	1 713	7 194
Net cash provided by/(used in) operating activities	5	(17)
Net increase/(decrease) in cash and cash equivalents	5	(17)
Cash and cash equivalents at beginning of the period	290	307
Cash and cash equivalents at the end of the period	295	290

The accompanying notes form part of these financial statements.

Schedule of Expenses and Income Attributable to Administered Activities

for the year ended 30 June 2019

	Electoral Districts Boundaries Commission		Special Acts		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses								
Employee benefits expenses	-	-	511	554	-	-	511	554
Supplies and services	6	5	-	-	494	6 678	500	6 683
Payments to consolidated account	-	-	-	-	769	20	769	20
Total administered expenses	6	5	511	554	1 263	6 698	1 780	7 257
Administered income								
Revenues from SA Government	-	-	511	554	494	6 678	1 005	7 232
Fees and charges	-	-	-	-	769	20	769	20
Interest	5	5	-	-	-	-	5	5
Total administered income	5	5	511	554	1 263	6 698	1 779	7 257
Net result	(1)	-	-	-	-	-	(1)	-

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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

	2019 No.	2018 No.
The number of statutory officers whose remuneration received or receivable falls within the following bands:		
\$211 001 to \$231 000	1	-
\$231 001 to \$251 000	-	1
\$271 001 to \$291 000	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 \$503 000 (2018: \$522 000).

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A4 Budget performance of Administered Items

	Ref.	Original Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000
Statement of Comprehensive Income				
<u>Administered expenses</u>				
Employee benefits expenses		514	511	(3)
Supplies and services	(1)	738	500	(238)
Payments to consolidated account	(2)	-	769	769
Total administered expenses		1 252	1 780	528
<u>Administered income</u>				
Revenues from SA Government	(3)	1 252	1 005	(247)
Fees and charges	(2)	-	769	769
Interest		-	5	5
Total administered income		1 252	1 779	527
Net result		-	(1)	(1)

Administered investing expenditure

There was no budgeted or actual administered investing expenditure in the year ended 30 June 2019.

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) Expenses for the Electoral Districts Boundaries Commission were \$271 000 lower than budgeted as it did not commence activities in 2018-19. This was partially offset by Special Assistance Funding claims paid to qualifying political parties and candidates being \$33 000 more than budgeted due to increases in the regulated amounts payable.
- (2) Expiation fees received from electors that failed to vote at the 2018 State Election are not included in budget estimates. Receipts amounted to \$769 000 in 2018-19 and were remitted to consolidated account.
- (3) Appropriations were lower than the original budget due to the decrease in Electoral Districts Boundaries Commission expenditure partially offset by slightly higher Special Assistance Funding claims payments.